

THE UNITED STATES-CHINA-INDIA RELATIONSHIP: AN ANALYSIS OF THE
EMERGENCE OF A STRATEGIC TRIANGLE

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Strategy

By

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ABSTRACT

THE UNITED STATES-CHINA-INDIA RELATIONSHIP: AN ANALYSIS OF THE EMERGENCE OF A STRATEGIC TRIANGLE, by Major Banit Singh Negi, Indian Army, 140 pages.

In the post Cold War era, a unique situation is developing in the Asia Pacific region wherein the United States is the lone dominant power with global outreach and China and India are emerging as Asian powers with global influence. These three major powers are so important to each other that a change in relationship between any two of them has a significant effect on the interests of the third. The purpose of this study is to explore the possibility of an evolution of a strategic triangle amongst U.S., China, and India. The primary research question of this thesis is, “With the rise in national power of China and India, will a strategic triangle emerge amongst China, India and United States?”

The theoretical framework for the thesis’ analysis addresses the issue of rise in national power of both China and India, and whether both can be termed as proto-peers to the United States. The analyses of their mutual convergences and divergences conclude that an asymmetric strategic triangle is slowly evolving among the three states and is getting stronger with the rise in national power of China and India.

The strategic triangle will most likely assume the form of a complex and shifting triangular relationship in the future wherein each country will behave in such a manner so as to meet their national interests and objectives. Each country will attempt to forge partnerships with the others where their interests converge, leverage the support of one against detrimental initiatives of the other, and prevent the other two from forming an alignment against it. The study also recommends certain policy initiatives aimed at strengthening convergences and bridging divergences in order to attain a win-all situation and promote global peace and security.

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TABLE OF CONTENTS

	Page
MASTER OF MILITARY ART AND SCIENCE THESIS APPROVAL PAGE	ii
CERTIFICATION FOR MMAS DISTRIBUTION STATEMENT	iii
ABSTRACT.....	v
ACKNOWLEDGMENTS	vi
TABLE OF CONTENTS.....	vii
ILLUSTRATIONS	x
TABLES	xi
CHAPTER 1. INTRODUCTION	1
China -India Relations	3
United States-India Relations	4
China-United States Relations	6
Significance	7
Primary Question	8
Secondary Questions.....	8
Assumptions.....	8
Definitions	9
Limitations	10
Delimitations.....	11
CHAPTER 2. LITERATURE REVIEW	14
CHAPTER 3. RESEARCH METHODOLOGY	22
CHAPTER 4. ANALYSIS.....	37
Rise in the National Power of China	38
Economy	38
Military	39
Domestic Sociopolitical	40
International Political.....	42
Population	44
Agriculture	45
Energy	46

Technology	47
Environmental Resources	48
Summary: Rise in the National Power of China	49
Rise in the National Power of India.....	49
Economy	50
Military	51
Domestic Sociopolitical	53
International Political.....	54
Population	56
Agriculture	56
Energy	57
Technology	58
Environmental Resources	60
Summary: Rise in the National Power of India	61
China and India as Proto-Peers or Peer Competitors?	61
China as a Proto-Peer or Peer Competitor?	62
China's National Power	62
China's Motivations.....	63
India as a Proto-Peer or Peer Competitor?.....	64
India's National Power	64
India's Motivations	65
Bilateral Relationships.....	67
United States-China Relations	67
Convergences.....	67
Divergences.....	69
Analysis.....	71
United States-India Relations	72
Convergences.....	73
Divergences.....	76
Analysis.....	78
China-India Relations	79
Convergences.....	80
Divergences.....	81
Analysis.....	85
CHAPTER 5. CONCLUSION AND RECOMMENDATIONS	96
Conclusion	96
Emergence of a Strategic Triangle.....	96
Strategic Salience.....	96
Change in Bilateral Relations among the two and Impact on the Interests of the Third.....	98
United States-India Relations.	98
China-India Relations.	99
U.S.-China Relations.	100
Summary: Emergence of a Strategic Triangle	101

Nature of the Strategic Triangle.....	102
Characteristics.....	102
Future of the Emerging Strategic Triangle	103
Causal Strategies for Current Convergences/Divergences	106
U.S.-China Relations	106
U.S.-India Relations.....	108
China-India Relations	109
Summary	111
Recommendations.....	111
Bridging Divergences	112
Strengthening Convergences	115
BIBLIOGRAPHY.....	121
INITIAL DISTRIBUTION LIST	129

ILLUSTRATIONS

	Page
Figure 1. “The United States-China-India Strategic Triangle”	105

TABLES

	Page
Table 1. Proto-Peer and Hegemon Strategy Matrix	34
Table 2. U.S.-China Relationship: Causal Strategy and Interaction Matrix	107
Table 3. U.S.-India Relationship: Causal Strategy and Interaction Matrix	108
Table 4. China-India Relationship: Causal Strategy and Interaction Matrix	110

CHAPTER 1

INTRODUCTION

The likely emergence of China and India, as well as others, as new major global players—similar to the advent of a united Germany in the 19th century and a powerful United States in the early 20th century—will transform the geopolitical landscape, with impacts potentially as dramatic as those in the previous two centuries. In the same way that commentators refer to the 1900s as the “American Century,” the 21st century may be seen as the time when Asia, led by China and India, comes into its own. A combination of sustained high economic growth, expanding military capabilities, and large populations will be at the root of the expected rapid rise in economic and political power for both countries.

Mapping the Global Future, the 2005 Report of the
National Intelligence Council’s 2020 Project¹

In the post Cold War era, a unique situation is developing in the Asia Pacific region wherein the United States holds the status of the lone dominant power with global outreach and China and India are emerging as Asian powers with global influence. Both ‘China and India are fast growing economies’ of the world competing for vital global resources.² Each has a population of over one billion and possesses nuclear weapons and significant military might. There are mutual convergences and divergences of interests and objectives among the three nations.

As Zhang Guihong, the Deputy Director and Associate Professor at the Hangzhou-based Institute of International Studies of Zhejiang University, had noted that China and India are among what Zbigniew Brzezinski described as “five geo-strategic players,” what Henry Kissinger listed as the “six big powers,” and what Samuel Huntington pointed out are “core states of seven civilizations.”³ The United States has been a significant player in the geopolitical arena since World War I and possesses considerable ‘national power’.⁴

These three major powers are becoming so important to each other that a change in relationship between any two of them is likely to have a significant effect on the interests of the third. Harry Harding, the Dean of the Elliott School of International Affairs and Political Science at George Washington University and a specialist on U.S. relations with Asia has observed that such a relationship among China, India and the United States is shaping into a strategic triangle.⁵

Lowell Dittmer, a Political Science professor at the University of California and a contemporary China expert, has defined the concept of a "strategic triangle" as a sort of transactional game among three states, where each state recognizes the strategic salience of the three principals, and the relationship between any two states affects or is affected by each state's relationship to the third.⁶ With the advent of globalization, the global economy and security is integrated in an intricate manner. Besides affecting the interests of one another in a strategic triangle, the evolving relationship will certainly have a profound global influence, akin to the effects the strategic triangle among the United States, Soviet Union and China had on the rest of the world during the Cold War. Hence, the evolving phenomenon is likely to have significant ramifications for the rest of the world as well.

According to Gregory Treverton, Director of the RAND Corporation's Intelligence Policy Center and Seth G. Jones, a political scientist at RAND, the U.S. enjoys an unprecedented amount of economic, military, and technological might in comparison to other states.⁷ The United States is acknowledging that growing national power of India and China may lead to the establishment of possible partnerships and alliances by each of them with other states based on common understanding and interests.

Such possible alliance may prove to be harbingers of an economically, militarily and diplomatically multi-polar world.⁸ Bilateral relationships between all three states have grown significantly in the recent years. However, it is the national interests and objectives of each state which will guide its foreign policies and decide future engagements with the other two within the framework of a strategic triangle.

China -India Relations

China and India, the two most rapidly growing countries in the world in terms of national power, have a commonality of social characteristics and profiles of economic growth and development. India and China had an off and on relationship from the 1940s till as late as the 1990s. Their relations have undergone a gradual warming in recent years. In 2006, Chinese President Hu Jintao visited India, the first official visit by a Chinese president since 1996. Both India and China issued a Joint Declaration outlining a “ten pronged strategy” to boost bilateral socio-economic ties and defense cooperation, as well as to “reinforce their strategic partnership.” Both countries declared themselves “partners for mutual benefit” rather than rivals or competitors, and signed 13 new pacts on a variety of bilateral initiatives.⁹

Both countries have emerged as economic powers and each follows an independent foreign policy suiting national aspirations and objectives. China is a big power in East Asia while India is a South Asian power. Their regional influences are gradually expanding and growing outwards and slowly assuming the character of global outreach and influence. The growing potential of the Chinese and Indian economies offers huge opportunities and emerging markets to the U.S. with economic benefits. According to some analysts, there is an unstated fear in the U.S. about the possibility of

China and India, with Russia, forming an alliance based on a common understanding and interests which may give rise to a multi-polar world.¹⁰

United States-India Relations

The United States and India are the largest democracies in the world and share common political values and strategic interests. Their common geo-political, economic and socio-political interests are advancing a cooperative agenda in spite of their differences over nuclear proliferation. Both countries have developed a comprehensive cooperative framework covering democracy, economy and security as part of the “Next Step in Strategic Partnership.”¹¹ Defense cooperation between the United States and India is slowly maturing. Since September 2001, U.S.-India security cooperation has flourished and U.S. diplomats rate military cooperation among the most important aspects of transformed bilateral relations.

The India-United States Defense Policy Group (DPG) was revived in late 2001 and meets annually. In June 2005, the United States and India signed a ten-year defense pact outlining planned collaboration in multilateral operations, expanded two-way defense trade, increasing opportunities for technology transfers and co-production, expanded collaboration related to missile defense, and establishment of a bilateral Defense Procurement and Production Group. A Maritime Security Cooperation Agreement, signed in early 2006, commits both countries to “comprehensive cooperation” in protecting the free flow of commerce and addressing a wide array of threats to maritime security, including piracy and the illicit trafficking of WMD and related materials.

The United States views defense cooperation with India in the context of “common principles and shared national interests” such as defeating terrorism, preventing weapons proliferation, and maintaining regional stability.¹² The United States now pays more attention to India’s role as the world’s largest democracy than it did before. India’s consistent and fast-growing economy, especially its information technology industry, attracts great investment from U.S. based transnational corporations.

Some analysts have noted that an increased U.S.-India security ties points towards an alleged “hedge” against or “counterbalance” to growing Chinese influence in Asia and feel that the ongoing nuclear deal between both countries further substantiates this analysis.¹³ At the same time, some other experts opine that this would be a mistake. According to Robert Black will, former U.S. ambassador to India from 2001-2003, "There's no better way to empty a drawing room of Indian strategists in New Delhi than to start talking about this idea,".¹⁴ He also reiterates that Indian officials have "no interest whatsoever in trying to contain China because they believe this could be a self-fulfilling prophesy, and their whole policy is to seek the best possible relationship with China and to try to shape their policy to that end."¹⁵

These views have been refuted by the Indian government. Mr. Pranab Mukherjee, the Minister for External Affairs for India, dismissed such speculations in his speech at the Council for Foreign Relations in Oct 2007, wherein he stated that “It is also clear that the development of closer relations between India and any one strategic partner will not be at the expense of relations with any third country.”¹⁶ Similar views are expressed by Anupam Srivastava, executive director of the South Asia program at the University of

Georgia's Center for International Trade and Security. "Neither India nor the United States is interested in any kind of containment of China".¹⁷

China-United States Relations

The relationship between the United States and the People's Republic of China (PRC) over the fifty years since the PRC was established on October 1, 1949 has graduated from an environment of hostility to engagement. Extreme hostility turned into outright military conflict in Korea. Rapprochement in the early 1970s became a strategic partnership during the latter part of the Cold War. This strategic partnership later evolved into a strategic triangle amongst China, U.S., and the erstwhile Soviet Union. China and the United States, the largest developing and developed countries respectively, also have comprehensive and common strategic interests.

U.S.-China relations got better during 2002-2004 as both countries resumed high level visits and government officials' exchanges. There was a convergence on military to military relations, anti terror initiatives, multilateral strategy for North Korea's weapons program and potential economic cooperation. The economic and military rise of China has been a source of constant debate and speculation in the United States. Certain developments in the recent past, such as the continuous modernization of the Chinese military, passing of an anti secession law, China's growing quest for energy resources, and certain domestic political issues such as human rights violation have also been major causes for divergence in the U.S.-China relations.

Significance

So, what is the prognosis of this developing geo-strategic situation? Can we deduce that there is a likely emergence of a "balance of power" among the three countries?¹⁸ Or is there an emergence of "the *new new* world order?"¹⁹ As Harry Harding brings out, will it lead to an evolution of a strategic triangle amongst these countries?²⁰ Will it ultimately develop into a vicious competitive relationship amongst them, wherein the "balance of power" may alter if one of them regards the development of relations between the other two states as a challenge to its national interests? Or, will this result in a relationship wherein any two in this triad forge a relationship as a means to contain the third country?²¹

Alternatively at the other end of spectrum, is it possible for China, the United States and India to establish a relatively cooperative relationship aimed at converging common views and interests, and bridge their divergences to mutually engage themselves within a strategic perspective? Will it be possible that convergences such as economic co-operation and counter terrorism will be able to shape their relationship into a 'win-all' situation? Such a relationship may be an outcome of their common understanding of mutual interests and concessions on everyone's part.

This thesis is an attempt to analyze the rise in national power of China and India and explore the possibility of an evolution of a strategic triangle among the United States, China, and India. A thorough analysis of the present convergences and divergences in their bilateral relations will determine the distinct possibility of, and nature of strategic triangle between the three states. The purpose of this thesis is to carry out these analyses by seeking answers to the following questions.

Primary Question

With the rise in national power of China and India, will a strategic triangle emerge amongst the United States, China, and India?

Secondary Questions

1. What is national power? Is there a rise in national powers of China and India?
2. Can China and India be termed as proto-peers to the United States in the near future?
3. What are the existing convergences and divergences in bilateral relations among the three states?
4. Do the existing convergences and divergences in their bilateral relations lead to the emergence of a strategic triangle?
5. If yes, then what is the nature of the emerging strategic triangle and what shape will it assume in the future?
6. What policy changes can be recommended to provide a stabilizing character to the emerging strategic triangle?

Assumptions

This thesis is an analysis of the relationships between India, China and United States based on five assumptions. First, India's dream of great power status is not based on challenging the economic and military might of the U.S. and China. Secondly, the policies of these nations will broadly remain the same despite future changes of governments at national levels. Thirdly, the rise in national powers of China and India

will continue, in spite of their domestic challenges and hindrances. Fourthly, the U.S. will maintain its position as an economic and geo-strategic power, but the level of US power will be closely contested by China and India in future. The relative growth rate of new players will pose acute challenges to the U.S., particularly in the economic field. Gradual erosion of its power advantage will lead to a likelihood of future shift in the current world order. Fifthly, the recommendations for all three states to achieve a win-all situation in the emerging triangle are based on a mutually cooperative strategic triangle.

Definitions

National Power. According to Gregory Treverton, Director of the RAND Corporation's Intelligence Policy Center and Associate Dean of the Pardee RAND Graduate School, and Seth G. Jones, a political scientist at RAND and an adjunct professor at Georgetown University, national power can be conceived at three levels: the level of resources or capabilities, also known as power-in-being, the level of power conversion through national processes, and the level of power in outcomes, by which we refer to a state's tendency to prevail in particular circumstances.²² The main drivers used to analyze national power are Domestic sociopolitical, International political, population, economy, military, agriculture, energy, technology, and environmental resources.

Strategic Triangle. According to Lowell Dittmer, professor in Political Science at the University of California and a contemporary China expert, the concept of a "strategic triangle" is useful in an analysis of the internal logic of the relationship between three countries like the former relationship between United States, the Soviet Union, and China.²³ The prerequisites for such a triangular relationship are that each player recognizes the strategic salience of the three principals, and the relationship between any

two will be affected by each player's relationship to the third. He also observed that there are three distinct pattern dynamics within the triangle: the *ménage a trios*', consisting of mutually positive relationships among all three; the *stable marriage*, consisting of a bilateral relationship excluding the third, and the *romantic triangle*, consisting of one pivot player playing off two suitors. Each of these pattern dynamics has specific rules of rational play. The shift from one pattern dynamic to another is a function of the attempts of the players to freeze a given configuration through commitment to a treaty or a common ideology, interacting with periodic crises that test their commitments.²⁴ Hence, a strategic triangle can be understood as a sort of transactional game among three players. It may assume various hues based on the mutual engagements amongst the players. It may be cooperative, or hierarchical, or competitive, or based on logic of ostracism and redemption.

Limitations

This thesis suffers from a major limitation born out of the fact that neither India nor China has a written or formally announced national security strategy. However, both countries have articulated their strategic viewpoints and objectives over a period of time. Secondly, the author does not have access to governmental documents of either of these countries on strategic matters. Hence the analysis will be based on written material, assessments made by various analysts and the statements issued by the governments of China and India. Thirdly, the dynamics of the contemporary operational environment affect the subject topic immensely. There are a number of other states and non-state actors affecting their mutual relationships. However, only Pakistan, Russia, Taiwan and North Korea have been taken into consideration briefly while carrying out prognosis for

this relationship. The scope of the subject further gets enhanced as daily happenings affect national policies. This, along with the paucity of time available to the author, limits the depth and scope of the research.

Delimitations

Even though the scope of the thesis encompasses the diplomatic, economic and military rise of India and China, the historical background on which the foundations of current geo-strategy exist can not be discounted. Only major implications of the historical perspective have been taken into consideration. Secondly, the thesis predominantly covers the impact of the rise of India and China only, based on the earlier assumption that rise of the U.S. will continue, albeit with marginal loss of power to potential competitors, as power is a zero-sum game. In the end, the author intends to analyze the prospect of emergence of a strategic triangle amongst China, India and the U.S. and how they can achieve their national strategic objectives with inherent concessions on other fronts within the framework of this relationship.

¹ NIC, *Mapping the Global Future: Report of the National Intelligence Council's 2020 Project* (Washington D.C.: NIC, 2004), 9.

² T.N. Srinivasan, "China, India and the World Economy," Working Paper No. 286, Stanford Center for International Development (July 2006): 1, <http://scid.stanford.edu/pdf/SCID286.pdf> (accessed February 12, 2007).

³ Zhang Guihong, "U.S-India Security Relations: Implications for China," South Asia Terrorism Portal Vol. 14, <http://www.satp.org/satporgtp/publication/faultlines/volume14/article2.htm> (accessed February 12, 2007).

⁴ Gregory F. Treverton and Seth G. Jones, *Measuring National Power* (Santa Monica, CA: RAND Corporation, 2005), ix, http://www.rand.org/pubs/conf_proceedings/2005/RAND_CF215.pdf (accessed February 14, 2007).

⁵ Harry Harding, “The Evolution of the Strategic Triangle: China, India, and the United States,” in *The India-China Relationship: What the United States needs to know*, ed. Francine R Frankel (New York: Columbia University Press, 2004), 321-323.

⁶ Lowell Dittmer, The Strategic Triangle: An Elementary Game-Theoretical Analysis, *World Politics*, Vol. 33, No. 4. (July 1981), 485-515, <http://www.jstor.org/view/00438871/di971224/97p0029s/0> (accessed February 17, 2007).

⁷ Treverton and Jones, ix.

⁸ Viewpoints: The new consensus — a multi-polar world, *International Herald Tribune*, January 26, 2007, <http://www.iht.com/articles/2007/01/26/bUSiness/wbview27.php> (accessed February 14, 2007)

⁹ K. Alan Kronstadt, *CRS Report for Congress: India –U.S. Relations* (Washington D.C.: CRS, 2007), 10.

¹⁰ “Russia’s Primakov Urges Strategic Triangle with China, India,” *Agence France Presse*, December 21, 1998, <http://www.pacificnet.net/jue/chinanews/archives/docs/981221.html> (accessed February 15, 2007).

¹¹ “United States - India Joint Statement on Next Steps in Strategic Partnership,” Press Statement, September 17, 2004, <http://www.state.gov/r/pa/prs/ps/2004/36290.htm> (accessed February 14, 2007).

¹² “The New Framework for the U.S.-India Defense Relationship,” Defense Framework signed by Minister of Defense of India, Pranab Mukherjee & Secretary of Defense of the United States, Donald Rumsfeld, June 28, 2005, <http://newdelhi.U.S.embassy.gov/ipr062805.html>, (accessed February 20, 2007).

¹³ Howard LaFranchi, “Why US is shifting nuclear stand with India,” *Christian Science Monitor*, July 20, 2005, <http://www.csmonitor.com/2005/0720/p03s01-usfp.html> (accessed February 14, 2007).

¹⁴ Esther Pan, “India, China, and the United States: A Delicate Balance,” *Council on Foreign Relations*, February 27, 2006, <http://www.cfr.org/publication/9962> (accessed May 7, 2007).

¹⁵ Ibid.

¹⁶ Pranab Mukherjee, “The Future Direction of India-US relations” (Prepared Remarks, Transcript, Council on Foreign Relations, New York, October 1, 2007), <http://www.cfr.org/publication/14339/>, (accessed Oct 17, 2007).

¹⁷ Pan, “India, China, and the United States: A Delicate Balance”.

¹⁸ Venu Rajamony, "India-China-U.S. Triangle: A Soft Balance in the Making" (Speech, Shorenstein APARC seminar, Freeman Spogli Institute, Stanford University, March 21, 2002), http://fsi.stanford.edu/events/the_indiachinaus_triangle_a_soft_balance_in_the_making/, (accessed February 17, 2007).

¹⁹ Daniel.W.Drezner, "The New New World Order," *Foreign Affairs*, (March/April 2007), <http://www.foreignaffairs.org/20070301faessay86203/daniel-w-drezner/the-new-new-world-order.html>, (accessed April 17, 2007).

²⁰ Harding, *The India-China Relationship: What the United States Needs to Know*, 321.

²¹ Guihong, *U.S-India Security Relations: Implications for China*.

²² Treverton and Jones, x.

²³ Lowell Dittmer, *The Strategic Triangle: An Elementary Game-Theoretical Analysis*.

²⁴ Ibid.

CHAPTER 2

LITERATURE REVIEW

This chapter provides a review of the literature and references used to develop and analyze the main theme of this thesis. The concurrent rise in national power of both China and India will result in the emergence of mutual convergence and divergences of their national interests with those of United States. Abundant literature is available in the form of books, government documents, articles in magazines and journals, and on the Internet, highlighting the emerging relationship between the United States and China, the United States and India, and China and India. However, there is a lack of adequate literature which may explore the strategic equation amongst China, India and the United States in the wake of the concurrent rise of China and India. The objective of this thesis is to carry out research based on available material in books, magazines, journals, government publications and internet sources. In the absence of adequate written literature, there is a profound dependence on the Internet and electronic media for the latest inputs to carry out the analysis.

The thesis examines the available literature to analyze the rise in national power of China and India. It further examines the available literature to analyze whether both China and India can be termed as proto-peers to the United States. The thesis also analyses literature to identify convergences and divergences in bilateral relations between all three states, i.e., U.S. - China relations, U.S. - India relations, and China-India relations. It also analyses available literature for the impact of these convergences and divergences on the emergence of a strategic triangle. This study will arrive at a balanced

outcome by considering varying perspectives of American, Chinese, and Indian think tanks, analysts and writers on this subject.

Rise in National Power of China

Analyst Robert Sutter draws on his extensive experience to explore the current debate on China's military and economic rise and its meaning for U.S. interests in his first sustained, single-authored book, *China's rise in Asia: Promises and Perils*. Examining in detail China's current and historical relations with the key countries of Asia, he finds a range of motivations underlying China's recent initiatives. Some incline Chinese policy to be cooperative with the United States, others to be competitive and confrontational. Clyde Prestowitz explores the changing face of global economics in his book, *Three Billion New Capitalists*. He further argues that recent trends are shifting wealth and power to Asia especially China and India and assesses the impact of the changing world on the United States and its economy.¹

Peter Rudolf in his research paper, *The United States and the Rise of China* discusses the rise of China as a geopolitical challenge and the strategic approaches to deal with it. He also advocates a two track policy which entails cooperation and integration on one hand and strategic hedging on the other.² Larry M. Wortzel, the Chairman of 2006 Report to Congress, of the *U.S.-China Economic and Security Review Commission*, sets forth the Commission's analysis of the U.S.-China relationship in the topical areas designated by the Commission's Congressional mandate. These include China's proliferation practices; the qualitative and quantitative nature of economic transfers of United States production activities to China; the effect of China's development on world energy supplies; the access to and use of U.S. capital markets by China; China's regional

economic and security impacts; U.S.-China bilateral programs and agreements; China's compliance with its accession agreement to the World Trade Organization; and the implications of China's restrictions on freedom of expression. The commission also analyses the identified concerns and provides 44 recommendations to the Congress, ranging from diplomatic, informational, military and economic spheres, for addressing these issues.

Carolyn W. Pumphrey has edited a series of essays in a Strategic Studies Institute publication titled, *The Rise of China in Asia: Security Implications*. The publication encompasses five chapters covering a variety of topics: Great power transitions in the new world polity; China's rise as a security threat; Asian great powers (India, Russia and Japan); Flash points in East and South Asia; and strategic choices in the U.S. - China relations.

Rise in National Power of India

Edward Luce highlights the implications of the rise of India and explores how it might alter the geopolitical map of the world, in his book *In Spite of the Gods*. He also elaborates on how the relationship between China and India has altered and how the United States, suspicious of India during the Cold War years, has warmed to it more recently. The United States, he says, would want to promote better ties with India to counterbalance China's emerging dominance and 'prolong American power in the coming decades'.³ Stephan J. Blank traced the rising power and capabilities of India and its influence on the region in his book, *Natural Allies: Regional Security in Asia and Prospects for Indo American Strategic Cooperation*. He highlighted the bilateral defense agenda and rationale for Indo-US strategic partnership. *India in the World Order*:

Searching for a Major Power Status published in 2003, by two highly regarded scholars of Baldev Raj Nayar and T.V. Paul of the McGill University, Montreal, examined “the prospects and implications of India’s integration into the major power system in the twenty first century”.⁴ The analysis was based on the capabilities and constraints and gives a holistic view of the possibility of growth of India as a world power.

The security environment of South Asia is the key to possibility of India’s global influence and its relationship with the US. Another publication by the Strategic Studies Institute called *South Asia in 2020: Future Strategic Balances and Alliances* edited by Michael R. Chambers is a collection of essays by various writers on diverse subjects like economics, military, regional politics, and the nuclear issue. These aspects collectively affect the future of India and its possibility of emerging as a global power. The book explored the possibility of India emerging as a global player and its relationship with the U.S. A 2007 publication of the Strategic Studies Institute, *Gauging U.S.-Indian Strategic Cooperation*, edited by Henry Sokolosky is a comprehensive collection of articles on atomic energy; terrorism, missiles and arms control; and strategic matters. The essay highlights the U.S. expectations from India as a strategic partner and argues whether India will be a better strategic partner than China.

Francine R. Hankel and Harry Harding have edited a collection of articles exploring the multiple dimensions of Sino-Indian relations with a particular emphasis on implications for US perceptions and policies in their book, *The India-China Relationship: What the United States needs to know*. Most of the contributors are leading scholars on one or both countries. The book is divided in to three sections where Part 1 deals with the historical overview. Part 2 highlights the dimensions of India-China relationship and Part

3 prognoses the implications for the US. *Waheguru Pal Singh Sidhu and Jing Dong Yuan* explore issues such as mutual distrust and misperception, the undemarcated border, the status of Tibet and Sikkim, trade, the tussle over various nonproliferation treaties, terrorism, the regional roles of the US and Pakistan, and the impact of domestic public opinion in their book, *China and India: Cooperation or Conflict?*

Emergence of a Strategic Triangle?

What likely scenarios will emerge out of this relationship between these three states? Since limited work or published opinion exists on the subject topic; most of the literature review is based on other sources including the internet, news media, governmental publications and current articles by think tanks on the subject topic. I intend interacting with scholars and think tanks in this field to facilitate my thesis analysis and formulate my conclusion.

Harry Harding in his essay *The Evolution of the Strategic Triangle: China, India, and the United States*, asserts that a strategic triangle is emerging amongst the three nations after the cold war.⁵ He discounts the possibility of the creation of a firm alignment of two nations against the third. He also discusses the implications and recommendations for the United States. He further prognoses that the shape of the strategic triangle, will most likely vary over time, depending on the relative salience of different international issues at any given moment and on the policies adopted by New Delhi and Beijing. In the end, he provides a utopian point of view, wherein Americans will prefer a triangle in which the United States can work together with both China and India to advance its national interests.

Rollie Lal in her book, *Understanding China and India: Security Implications for the United States and the World*, states that the United States must take the desires of both China and India; the two emerging giants of the 21st century, into account. She further argues that it will be a great mistake to lump both China and India together in one Asian policy. Based on 80 in-depth interviews with government officials and scholars in New Delhi and Beijing, she also highlights the differences in national interests of China and India. She further prophesizes that China and India are unlikely to pursue hostility towards each other. She also stresses the need for the U.S. approach to be based on these differences.

Shailendra Sharma in his article *Sizing up the Dragon and the Elephant: China and India's Ascendance in the Global Age* discusses that trade linkages between the United States and China and the United States and India are substantial and important to all three economies. The U.S. is both countries' most important export market (already, the U.S. accounts for roughly one-quarter of all Chinese exports), and the Chinese economy is expected to overtake the U.S. economy as early as 2015. Therefore, both China and India have a common interest in diffusing protectionist threats in the U.S. At the end of the day this does not only mean both China and India have to abide by their WTO commitments, but each must also open its markets to U.S. goods and services, including ensuring that imports and foreign firms can compete fairly with domestic products in the rapidly expanding Chinese and Indian markets. He further states that both China and India are already major players in the global economy and their growing prominence will further transform the world economic and strategic landscape in the coming decades.

Zhang Guihong in his paper, *US Security Policy towards South Asia after September 11 and its Implications for China: A Chinese Perspective* argues that the emerging United States-China-India strategic triangle is a new one, which no leader has much experience in managing. He also states that what concerns China most is how to prevent US-Indian relations from becoming a formal alliance in South Asia similar to the US-Japan alliance in East Asia.⁶

Summary

The concurrent rise in national power of India and China is altering international trade and geo-strategic relations. The emergence of a strategic triangle amongst China, India and the United States will depend upon the convergence of their national interests and their ability to deal with emerging situations. This chapter introduced the literature that will help analyze the possibility of emergence of a China-India-US strategic triangle. Besides the published books as mentioned hitherto fore, numerous articles, essays, comments, and current happenings available on the news media and Internet will contribute immensely towards the thesis.

¹ Clyde Prestowitz, *Three Billion New Capitalists* (Cambridge, MA: Basic Books, 2007).

² Peter Rudolph, "The United States and the rise of China: The Strategy of the Bush Administration," SWP Research Paper (April 2006): 13, http://www3.swp-berlin.org/en/common/get_document.php?asset_id=3173 (accessed April 17, 2007).

³ Edward Luce, *In spite of the Gods: The Strange Rise of Modern India* (New York: Random House, 2007).

⁴ Baldev Raj Nayar and T. V. Paul, *India in the World Order: Searching for a Major Power Status* (Cambridge, UK: Press Syndicate of the University of Cambridge, 2003).

⁵ Francine R. Frankel and Harry Harding, *The India-China Relationship: What the United States Needs to Know* (New York: Columbia University Press, 2004).

⁶ Zhang Guihong, *US Security Policy towards South Asia after September 11 and its Implications for China: A Chinese Perspective*, Henry L. Stimson Center (January 2003): 16, <http://www.stimson.org/china/pdf/secpolsouthasia.pdf> (accessed April 17, 2007).

CHAPTER 3

RESEARCH METHODOLOGY

This study evaluates the rise in national power of China and India and its impact on China's and India's relations with the United States. It also posits the distinct possibility of the emergence of a strategic triangle among the United States, China and India as a consequence of their evolving mutual relationships. This chapter outlines the research methodology utilized in the conduct of this study. The study employs a mix of both qualitative and quantitative analysis methodology to describe the rise in national power of China and India, in terms of diplomatic, military, economic and other selected variables and its impact on their mutual relationships in an evolving strategic triangle.

The qualitative analysis part of the research methodology uses an *inductive analysis* theme.¹ According to Michael Quinn Patton, "An inductive analysis is an evaluation approach wherein the researcher attempts to make sense of the situation without imposing preexisting expectations on the phenomenon or setting under study."² It begins with specific observations and builds towards general patterns. "Inductive analysis also attempts to understand the multiple interrelationships among dimensions that emerge from the data without making prior assumptions or specifying hypotheses about the linear or correlative relationships among narrowly defined, operationalized variables."³ Correlating this definition to the study; the research work attempts to understand the multiple interrelationships amongst U.S., China, and India that emerge from a review of the data collected and analyzes the convergences and divergences among their national interests, without making prior assumptions on the nature of their evolving relationships.

The quantitative analysis part of the research methodology uses ‘*hypothetical-deductive approach*’ that requires the specification of many variables and the statement of specific research hypotheses before data collection begins.⁴ The study uses three existing studies/frameworks to further posit the emergence of a strategic triangle among U.S., China and India, which are as follows:

1. RAND report on *Measuring National Power*:⁵ This report summarizes and extends the results of a workshop organized by the RAND Corporation to identify drivers of national power. The study has also incorporated inputs from CIA’s Strategic Assessments Group (SAG), and Barry Hughes and his International Futures (IFs) model.
2. RAND Book on *The Emergence of Peer Competitors: A framework for analysis*.⁶ This report addresses the issue by developing a conceptual framework of how a proto-peer state (i.e. a state that is not yet a peer but has the potential to become one) might interact with the hegemon (the dominant global power). The central aspect of the framework is an interaction between the main strategies for power aggregation available to the proto-peer and the main strategies for countering the rise of a peer available to the hegemon.⁷ The pathways of the various proto-peer and hegemon interactions are modeled, using exploratory modeling techniques, to identify the specific patterns and combinations of actions that might lead to future amity or enmity.
3. Lowell Dittmer’s Article on *The Strategic Triangle: An Elementary Game-Theoretical Analysis in World Politics*.⁸ This paper posits a more

explicit definition of the strategic triangle concept and ‘explores its inner logic and dynamic propensities’.⁹ The research study will use the definitions from this conceptual framework to the evolving pattern of relationships among the U.S., China, and India, in order to comprehend the distinct possibility of the emergence of a strategic triangle.

Methodology

The methodology uses a mix of qualitative and quantitative approaches in analyzing the available literature. The research methodology employed in this study consists following five steps:

- Step I. This step assesses the rise in national power of China and India based on drivers of national power mentioned in RAND report on ‘Measuring National Power’.
- Step II. This step assesses whether China and India can be termed as proto-peers to the United States in near future, employing the model used in RAND report on ‘The Emergence of Peer Competitors: A framework for analysis’.
- Step III: This step identifies convergences and divergences in bilateral relationships among the United States, China, and India based on qualitative analysis of available primary and secondary literature sources. The ultimate analysis of the bilateral convergences and divergences will, in turn posit whether an overall stabilizing or destabilizing relationship exists between the two players.
- Step IV: Based on the overall relationships amongst all three states, this step identifies the indications of the emergence of, and the type of strategic triangle among the United States, China, and India. This step employs the definitions

mentioned in Lowell Dittmer's study on 'The Strategic Triangle: An Elementary Game-Theoretical Analysis' and will form part of the conclusion.

- Step V: This step identifies the strategies at play between the two players after analyzing the overall pattern in bilateral relations based on convergences and divergences; i.e. stabilizing or destabilizing patterns; among the United States, China, and India, employing the exploratory modeling techniques mentioned in the RAND report on 'The Emergence of Peer Competitors: A framework for analysis'. The study, then, identifies some potential changes in the national strategies of the United States, China, and India to negate the destabilizing patterns and achieve a "win-win" situation for all three states. These recommendations will form part of Chapter 5.

Step One: Assessment of Rise in National Power of China and India

This step aims to assess whether there has been a rise in national power of China and India, using the variables highlighted in the RAND report on '*Measuring National Power*'. According to the report, state power can be conceived at three levels:

1. Power-in-being. This level of national power is a direct derivative of the national resources or capabilities. The most important variables include¹⁰:
 - a. Population and human capital.
 - b. Economic power: Key indicators are GDP, composition of the economy, and leading sectors in economy.
 - c. Technological prowess: Key indicators are educational attainment, and per-capita expenditure on research and development, aptitude for innovation, and the quality of the knowledge base.

- d. Military capabilities: Key indicators of military power are the defense budget, training, doctrine, strategy, and military effectiveness.
- 2. Power-in-conversion. This level of national power is dependent on as to how power is converted through national processes. In general, four areas are important for power conversion¹¹:
 - a. The first area includes economic issues, including access to capital. Researchers in the report have focused on domestic economic resources and capabilities including the ability of states to utilize global resources for domestic activities.
 - b. The second area includes a state's institutions and political structures.
 - c. The third area incorporates values, trust, social capital, and other aspects of civil society. The researchers formulated their opinion based on the World Values Survey.
 - d. The final area is social structure and societal stratification.
- 3. Power-in-outcomes. This level of power is dependent on a state's tendency to prevail in particular circumstances and be able to convert power after employing all available resources at its disposal, i.e. demographic, economic, technological etc. According to Treverton, power in outcomes is more important than the power-in-being.¹²

Capabilities and How to Measure Them. This study employs the following nine blocks of drivers:

1. Domestic sociopolitical;
2. International political;
3. Population;
4. Economy;
5. Military;
6. Agriculture;
7. Energy;
8. Technology; and
9. Environmental resources.

Step Two: Assessment of China and India as Proto-peers

After having assessed whether there has been a rise in national power of China and India, this section assesses whether China and India can be termed as proto-peers to the United States based on the definition of a proto-peer in the RAND report on ‘*The Emergence of Peer Competitors: A framework for analysis*’. According to the report, a proto-peer is a state that is yet not a peer but has the potential to become one. It seeks only modest or no change in the international system (the relative power status of the major states, the rules governing interaction between the states, and/or the beneficiaries of those rules).¹³ A peer competitor, on the other hand, is a state or collection of challengers with the *power* and *motivation* to confront the US *on a global scale* in a sustained way and to sufficient level where the *ultimate outcome of a conflict is in doubt* even if the US marshals its resources in an effective and timely manner.¹⁴ However, some writers have raised objections that the term “peer competitor” implies a mirror-

image of the adversary.¹⁵ Though this point is debatable, this study does not imply in any manner that a proto-peer/peer competitor is a mirror-image of the adversary.

The analysis during step one will further bring forth the strategies employed by China and India to gain national power. These strategies will then be correlated and analyzed with the strategies available to a proto-peer. According to the RAND report, a proto-peer has four main strategies available to him to enhance his national power. These range from internally focused changes accompanying gradual economic growth, to a less predictable but potentially faster internally focused growth due to revolutionary changes, to an externally focused strategy emphasizing alliances with other countries, to outright aggression, intimidation, and subjugation of other countries.¹⁶ The RAND report describes them as follows:

- Reform: The proto-peer builds power by increasing national resources, or “inputs,” by such means as improving its educational base or spending more on scientific research and development efforts. This strategy is incremental and generally respects the accepted “rules” of the international system.¹⁷
- Revolution: A revolution dramatically transforms a state’s ability to extract resources by such means as more effective governance or substantial improvement in the country’s capability to provide resources.¹⁸ This strategy can transform a state’s power immensely and very quickly.
- Alliance: An alliance strategy, entailing an alliance by a proto-peer with another major state or states, clearly challenges the hegemon because it

can overturn the status quo and reduce the hegemon's dominant role.¹⁹ An alliance can quickly alter the power calculations.

- Conquest: A proto-peer can also attempt to increase its power by conquest, forcefully subjugating another state. Such a strategy requires large and capable military forces and immediately changes power calculations and represents an overt attempt to overturn the existing order.²⁰

Possible Hegemon Responses. The RAND report further lays out four strategies which a hegemon could employ against a proto-peer: conciliate, co-opt, constrain, and compete. These four strategies are 'levels of conflict' the hegemon imposes on the proto-peer, with conciliate representing the least conflict and compete the most.²¹ The RAND report describes them as follows:

- Conciliate: The conciliate strategy entails mostly cooperative behavior by the hegemon and is designed to increase common goals and limit friction. The hegemon expects the proto-peer to be an ally rather than a competitor as it grows in power, and its actions toward such a proto-peer are relatively free of conflict.²² The hegemon believes that the proto-peer does not pose a fundamental threat even if it matches the hegemon's capabilities because the states have similar or compatible interests.
- Co-opt: The co-opt strategy is a hedging strategy aimed at increasing the stake of the proto-peer in the status quo, thus reducing the motivation to change it. The RAND report identifies it to be analogous to a "carrots" approach, wherein the cooperation is more conditional than it would be in a conciliation strategy. The hegemon is willing to let the proto-peer's

power rise, but only if it modifies its behavior sufficiently so that it does not threaten the international system.²³

- **Constrain:** This strategy is analogous to the “sticks” approach, wherein the hegemon aims to delay the peer’s rise without provoking a military conflict. The hegemon concludes that the proto-peer is likely to be a competitor and, to moderate its rise to power, aims to make clear the costs of such a competition.²⁴ The report also points out that conflict-imposition predominates in such a strategy, although the hegemon still sees a possibility of forestalling the emergence of a long-term competitor. Based on the proto-peer’s behavior, the hegemon can modulate its strategy from the “sticks” approach to a “carrots” approach and vice versa.
- **Compete:** The ‘compete’ strategy aims at imposing costs on the proto-peer to reduce its power and keep it from achieving peer status. This strategy ultimately leads to a conflict, though that may not necessarily be a military one. Given the high costs of the compete strategy; the hegemon must conclude that competition with the proto-peer is inevitable, that this poses a fundamental threat, and that the risks of not engaging in a strategy of conflict outweigh the costs.²⁵

The report uses these terms as analytical constructs rather than conscious strategies a state might adopt on its ascent to power. Both the proto-peer and the hegemon can pursue more than one strategy simultaneously, but generally one will dominate.

Step Three: Assessment of Convergences and Divergences Among the United States,
China, and India

This step analyses the current state of U.S. - China, U.S. - India and China – India relations and the convergences and divergences of their mutual interests. The research methodology will carry out qualitative analysis of primary and secondary literature to identify the following:

- Firstly, the researcher will analyze the research material for existing convergences and divergences in U.S. – China relations. It will also analyze whether U.S. – China relations are contingent on their relationship with India.
- Secondly, the researcher will analyze the research material for existing convergences and divergences in U.S. - India relations. It will also analyze whether U.S. –India relations are contingent on their relationship with China.
- Thirdly, the researcher will analyze the research material for existing convergences and divergences in China - India relations. It will also analyze whether China-India relations are contingent on their relationship with the United States.

Step Four: Assessment of Emergence of a Strategic Triangle

Based on the analysis carried out until Step three, the study will arrive at conclusions as to whether a strategic triangle will emerge among U.S., China and India in near future. The conclusion will also identify the nature of the strategic triangle. The concept of a "strategic triangle" first came into being to explain the relationship dynamics

among the United States, the Soviet Union, and China during the Cold war. According to Lowell Dittmer, professor in Political Science at the University of California and a contemporary China expert, a strategic triangle can be understood as a sort of transactional game among three players. It may assume various hues based on the mutual engagements amongst the players. It may be cooperative, or hierarchical, or competitive, or based on logic of ostracism and redemption.²⁶

He further lays out that for a strategic triangle to exist among three countries, each player must recognize the strategic salience of the three principals, and any change in the bilateral relations among any two of these players has a significant impact on the interests of the third. Greater the impact on the relationships, the greater is the significance of the strategic triangle. This step of the research methodology employs the definitions used in Lowell Dittmer's study on " *The Strategic Triangle: An Elementary Game-Theoretical Analysis*. He opines that there are three distinct pattern dynamics within the triangle based on relative power and the interests of the three states involved²⁷:

1. The *ménage a trois*: Such a strategic triangle consists of mutually positive relationships among all three countries. This is a utopian relationship, wherein there is a concert of powers, which links all three nations together in common endeavors. This state of political affairs is also known as the 'concert of powers'. This is the most stable kind of relationship.
2. The stable marriage: This type of a strategic triangle consists of a bilateral relationship excluding the third. This type of alliance of two against the third can be fairly enduring. This can also take the form of one nation mediating the conflict between the other two nations.

3. The romantic triangle: This type of a strategic triangle consists of one pivot player playing off two suitors. This is the most unsuitable type of strategic triangle, wherein one player tries to have positive relationships with two rivals, benefiting from their jealousy.

Besides the aforementioned types, another type of strategic triangle has been proposed by Harry Harding, which is highly fluid and is a complex and shifting strategic triangle. Each state tries to form partnerships with the other, working together on some issues, but finding themselves in disagreement on others without forming any firm or enduring alignment.²⁸ This kind of a strategic triangle is a dynamic one, wherein it shifts from one pattern to the other based on the transactional game played by the players. The shift from one pattern dynamic to another is a function of the attempts of the players to freeze a given configuration through commitment to a treaty or a common ideology, interacting with periodic crises that test their commitments.²⁹

Step Five: Assessment of Causal Strategies for Mutual Convergences/Divergences

Among the United States, China, and India

After having carried out a holistic appraisal of the convergences and divergences among the United States, China, and India, the research methodology will then aim to deduce the causal strategies for such a state of mutual convergences/divergences of interests between the proto-peer and the hegemon. Using the exploratory modeling techniques of the RAND study “Emergence of Peer competitors: A Framework for Analysis”, the pathways of strategy interactions between them will be modeled to identify an overall stabilizing or destabilizing tendency in their mutual relationships.

The methodology will visualize the expected consequences of interaction between the hegemon and the potential peer competitor in a strategy matrix. The four strategies of the potential peer are plotted along the vertical axis, and the four strategies of the hegemon are plotted along the horizontal axis (see Table 1). According to the RAND study, the intersection of each pair of strategies results in one of the three outcomes: unstable, uncertain or quasi-equilibrium. Other squares are unstable and necessitate a change in strategy. Uncertain interactions are less dangerous than unstable ones but might lead to instability.

Table 1. Proto-Peer and Hegemon Strategy Matrix					
<i>Proto-Peer Strategy</i>	CONQUEST	Unstable	Unstable	Uncertain	Quasi-Equilibrium
	ALLIANCE	Unstable	Uncertain	Quasi-Equilibrium	
	REVOLUTION	Uncertain	Quasi-Equilibrium	Uncertain	Unstable
	REFORM	Quasi-Equilibrium	Uncertain	Unstable	Unstable
		CONCILIATE	CO-OPT	CONSTRAIN	COMPETE
	<i>Hegemon Strategy</i>				

Source: Szayna et.al., The Emergence of Peer Competitors: A framework for analysis (Santa Monica, CA: RAND, 2005), 77.

Since only a quasi-equilibrium state will lead to a “win-all” situation for all three states, it becomes pertinent to identify potential changes in the national strategies of the United States, China, and India in order to negate the unstable and uncertain outcomes and transform to a state of quasi-equilibrium.

This will form the basis for recommendations for potential changes in the U.S. policy aimed at rectifying inconsistencies in its strategy to engage China and India. The rise of China and India is an evolutionary phenomenon and needs to be managed properly. This section will also furnish recommendations for China and India to accrue maximum advantage from such a strategic triangle in order to meet their national interests and objectives besides nurturing global peace and economic growth.

¹ Michael Quinn Patton, *Qualitative Evaluation and Research Methods* (California: Sage Publications, 1990), 40.

² Ibid.

³ Ibid., 44.

⁴ Ibid.

⁵ Gregory F. Treverton and Seth G. Jones, *Measuring National Power* (Santa Monica, CA: RAND Corporation, 2005), ix, http://www.rand.org/pubs/conf_proceedings/2005/RAND_CF215.pdf (accessed February 14, 2007).

⁶ Thomas S. Szayna et al., eds., *The Emergence of Peer Competitors: A Framework for Analysis* (Santa Monica, CA: RAND, 2001).

⁷ Ibid, iii.

⁸ Lowell Dittmer, The Strategic Triangle: An Elementary Game-Theoretical Analysis, *World Politics*, Vol. 33, No. 4. (July 1981). <http://www.jstor.org/view/00438871/di971224/97p0029s/0> (accessed February 17, 2007).

⁹ Ibid, 485.

¹⁰ Treverton and Jones, x.

- ¹¹ Ibid, ix.
- ¹² Ibid.
- ¹³ Szayna et al., xi.
- ¹⁴ Ibid., 7.
- ¹⁵ Robert H. Scales, Jr., *Future Warfare* (Carlisle Barracks, PA: U.S. Army War College, 1999), 139.
- ¹⁶ Ibid., xii.
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ Ibid., xiii.
- ²⁰ Ibid., xiii.
- ²¹ Ibid.
- ²² Ibid., xiv.
- ²³ Ibid.
- ²⁴ Ibid., xv.
- ²⁵ Ibid.
- ²⁶ Dittmer, 485.
- ²⁷ Dittmer, 489-90.
- ²⁸ Harry Harding, “The Evolution of the Strategic Triangle: China, India, and the United States,” in *The India-China Relationship: What the United States needs to know*, ed. Francine R Frankel (New York: Columbia University Press, 2004), 321.
- ²⁹ Ibid., 322.

CHAPTER 4

ANALYSIS

This chapter presents the analysis of the study. Firstly, it assesses the rise in national power of China and India based on drivers of national power mentioned in the RAND report on '*Measuring National Power*'. Secondly, it assesses whether China and India can be termed as proto-peers to the United States in near future, employing the model used in the RAND report on '*The Emergence of Peer Competitors: A framework for analysis*.' Thirdly, it identifies convergences and divergences in bilateral relationships among the United States, China, and India based on qualitative analysis of available primary and secondary literature sources. The ultimate analysis of the bilateral convergences and divergences will, in turn posit whether an overall stabilizing or destabilizing relationship exists between the two players.

Fourthly, it identifies the indications of the emergence of, and the type of strategic triangle among the United States, China, and India based on the overall relationships amongst all three states and employing the definitions published in the Lowell Dittmer's study on '*The Strategic Triangle: An Elementary Game-Theoretical Analysis*'. Lastly, the study identifies the strategies at play between the two players after analyzing the overall pattern in bilateral relations based on convergences and divergences; i.e. stabilizing or destabilizing patterns; among the United States, China, and India, employing the exploratory modeling techniques mentioned in the RAND report on '*The Emergence of Peer Competitors: A framework for analysis*'.

Rise in the National Power of China

Analysis of growth and rise in the national power of China has been carried out based on the most critical drivers of national power as mentioned in RAND report on “*Measuring National Power*”.

Economy

China's economy has undergone a major shift from a centrally planned system to a more market-oriented economy. A rapidly growing private sector has shaped the Chinese economy as a global player. A CRS report to U.S. Congress on China's economic conditions has noted that China has become one of the world's fastest-growing economies since the initiation of economic reforms in 1979.¹ The report also highlights the following aspects of the Chinese economy:²

- Real GDP grew by 11.1% in 2006 and also during the first quarter of 2007.³
- In 2006, exports rose by 27% to \$969 billion, while imports rose by 20% to \$792 billion. This has produced a trade surplus of about \$177 billion.⁴
- From 2003 to 2006, the value of total Chinese trade has doubled. On the basis of current trends, China could surpass the United States in 2007 to become the second largest merchandise exporter after the European Union.⁵
- The combination of trade surpluses, foreign direct investment (FDI) flows, and large scale purchases of foreign currency have helped make China the world's largest holder of foreign exchange reserves at \$1.3 trillion as of June 2007.⁶

Analysis. China has recorded an impressive economic growth since the 1979 reforms. This has resulted in a significant growth rate of real GDP, trade surpluses, and increased FDI in China. This has contributed immensely to the rise in national power of China in the recent years. However, economist' caution that these projections are likely to occur only if China continues to make major reforms to meet various challenges to its economy, such as an inflexible currency policy, and makes other major reforms in the state owned enterprises and banking system.⁷ As a prognosis, the Chinese economy is likely to grow in future as well and will continue to contribute to the rise in China's national power, though there are indicators that overheating may take place in absence of sustained reforms.

Military

According to the Annual Report to Congress on the Military Power of the People's Republic of China 2007, "the People's Liberation Army (PLA) is pursuing comprehensive transformation from a mass army designed for protracted wars of attrition on its territory to one capable of fighting and winning short-duration, high intensity conflicts against high-tech adversaries, which China refers to as "local wars under conditions of informatization."⁸ China currently has a limited power projection capability, but, as noted in the 2006 *Quadrennial Defense Review Report*, it "has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages."⁹

According to the report, the pace and scope of China's military transformation has increased in recent years, fueled by continued high rates of investment in its domestic defense and science and technology industries, acquisition of advanced foreign weapons,

and far reaching reforms of the armed forces.¹⁰ The report also noted that China's strategic forces modernization is enhancing strategic strike capabilities, as evidenced by the DF-31 intercontinental range ballistic missile and the January 2007 successful test of a direct-ascent, anti-satellite weapon. China has also expanded the domain of its area denial and anti-access strategies to the space and cyber-space dimensions.

Analysis. China's military has been undergoing rapid modernization with both a near-term focus on preparing for military contingencies in the Taiwan Strait, and a long term focus on developing capabilities for other regional contingencies to ensure sustained resource availability or to maintain its sovereignty. The expanding military capabilities of China's armed forces are a major factor in changing East Asian military balances and improvements in China's strategic capabilities have ramifications far beyond the Asia Pacific region. A rise in economic power has facilitated rising military budgets for the PRC's military forces, which in turn has resulted in massive modernization and will incidentally provide it an enhanced power projection capability in near future. It is likely that China will employ its military to advance its national interests in near future.

Domestic Sociopolitical

China's socio-political scenario can be analyzed as a sum of its governance and its civil society. Since Mr. Hu Jintao has become President, he has implemented a program of 'inner-party democracy', which is intended to reduce the role played by patronage and nepotism within the Communist Party of China (CCP) elite, by increasing the relevance of an individual's official post rather than his *guanxi*-based network of personal influence.¹¹ This concept is aimed at strengthening intra-party elections and reducing party corruption.

The booming economy of China has brought a plethora of developmental problems in its wake. China faces a tremendous development challenge of ameliorating the poverty situation, an increasing demand for natural resources i.e. energy, raw materials, and water. According to Mr. Zheng Bijian, who is the Chairperson of the China Reform Forum, a nongovernmental and nonprofit academic organization, and who has drafted key reports for five Chinese national party congresses and held senior posts in academic and party organizations in China, China will face three big challenges on its road to development. They are shortage of resources, environmentally sustainable development and imbalance between economic and social development.¹²

Hence, China's socio-political structure is unlikely to develop along a direct, linear trajectory as China progresses towards 2020. According to Mr. Cheng Li, a Senior Fellow at the John L. Thornton China Center of the Brookings Institution and William R. Kenan Professor of Government at Hamilton College, the future of China will ultimately depend on the interplay of current political trends, key players in decision-making roles, and demographic factors that will be important in the future. He also opined that this may result in to three possible scenarios by 2020: the emergence of a democratic China, or a prolonged chaos, or a resilient, authoritative China.¹³

Analysis. The present government under Hu is likely to provide political stability for the next five-year period. So far, the domestic socio-political conditions have been effective drivers to provide a suitable climate for sustainable growth in the economic power of China. However, the rapid economic growth has resulted in a fractured civil society. The future rise in economic power in China is contingent upon President Hu's ability to maintain a balance between a competing set of economic drivers and social

welfare. The existing series of tensions are: between high GDP growth and social progress, between upgrading technology and increasing employment, between keeping development momentum in the coastal areas and speeding up development in the interior, between fostering urbanization and conserving agricultural land, between narrowing the gap between the rich and the poor and maintaining economic vitality and efficiency in the market mechanism, between attracting more foreign investment and enhancing the competitiveness of indigenous enterprises, between opening domestic markets and solidifying economic independence, between promoting market-oriented competition and providing a socio-economic safety net for the displaced personnel.¹⁴

International Political

China has played an active role in six party talks in the North Korean nuclear crisis, thereby indicating a broader evolution in Chinese diplomacy. David Shambaugh has noted that Chinese diplomacy has expanded the breadth and depth of its bilateral relations, joined numerous regional and international agreements and increased the quality of its participation in multilateral organizations as a means to shape international rules, improve relations with neighboring countries (especially in Southeast Asia) and limit what it perceives as undue U.S. global influence.¹⁵

Regionally, China is actively engaged with the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), and the South Asian Association for Regional Cooperation (SAARC). It has also been instrumental in creation of a multilateral organization focused on regional security in Central Asia, known as the Shanghai Cooperation Organization (SCO) for cooperation on border demilitarization,

counter terrorism and trade. Some analysts perceive SCO as a response to the growing influence of the US in Central Asia.

Regionally, China has also initiated a number of confidence building measures to include troop reductions along its disputed borders with Russia and India. In addition it has reached amicable settlements with Laos, Russia, Vietnam, Kazakhstan, Kyrgyzstan and Tajikistan. At the same time, it is also apparent that Chinese foreign policy appears to undermine growth of its regional rivals like India and Japan. In 2005, China opposed Indian and Japanese efforts to gain permanent membership of the UN Security Council. Similarly, China opposed India's engagement in East Asia during the East Asia Summit in Kuala Lumpur in 2005.

Globally, President Hu Jintao has been actively shaping Chinese foreign policy in pursuit of global 'great power' status.¹⁶ China is a permanent member of the United Nations Security Council with veto power. China has also had dialogues with the EU and NATO in the recent past. Chinese diplomacy has also become more transparent and by issuing well over a dozen "white papers" outlining the government's official position on domestic and international policy issues, and by providing the international press with Western-style "background briefings" before and after major diplomatic events.¹⁷ The Foreign Ministry and State Council also have web pages which reflect Chinese positions on various issues.

Chinese foreign policy is driven by its need to access global energy to sustain its economic growth and to maintain global trade. China has leveraged arms transfer and defense sales, investments in the economic and infrastructure development of trading partners, and non-interference in the domestic affairs of sovereign states to bolster its

global influence, especially with rogue states and countries in transition in Africa, Latin America and the Middle East.

Analysis. Beijing's foreign policy has begun to reflect a more sophisticated, confident and, at times, constructive and proactive approach toward regional and global affairs.¹⁸ Chinese foreign relations are contingent upon China's need to spur economic growth, its need for energy and raw materials, and to enhance its regional and global influence. The current foreign policy of China is oriented on a fast track to enhance its economic and security interests both regionally and globally, though the means employed may at times have been dubious and have invited international scrutiny. Hence the 'international political' driver of national power is currently assisting China in attaining a great power status. However, the future Chinese foreign policy interactions will have to be more responsible and in sync with established global norms.

Population

China is the world's largest and most populous country, which accounts for over one-fifth of the population in the world. According to the latest report released by the China Population Information and Research Center (CPIRC) of the State Family Planning and Population Commission, China has a total population of 1.32 billion in March 2007.¹⁹ China's population growth has been somewhat slowed by the one child policy, in effect since 1979. Around 2030, China's population is anticipated to peak and then slowly start dropping which means that until 2030 China's large population will provide it the advantages of a large labor force and an increase in its production capacity.²⁰

Analysis. According to the Green Paper on China's population published by the Chinese Academy of Social Sciences, China will inevitably lose the advantage in labor force, and its economic development will slow down due to an aging society.²¹ The report further states that China's economic growth will be affected as it depends largely on labor-intensive manufacturing. Whereas the present population of China provides it a vast human capital on one hand, 'overpopulation will also cause heavy unemployment pressure, a gender ratio imbalance, a change in Chinese family structures and models, and an imbalance in the proportion of its urban and rural population' in near future.²² Hence, population is a major driver for the rise in national power of China currently; however it will become an impediment in near future, if not properly managed.

Agriculture

Agricultural reform has been a major pillar of the fundamental economic reforms undertaken by China since 1978. However, China is undergoing a radical process of transformation, wherein the countryside is moving to the city, while the city is encroaching on the countryside. The agriculture sector's share in GDP declined to 16 percent from 27 percent between 1990 and 2000. The industrial sector's share has expanded with the economy.

The Chinese Academy of Social Sciences (CASS), a government think tank, has revised downward the country's annual agricultural output growth for 2007 to four percent compared to its January projection of five percent. According to the CASS Green Paper on China's Rural Economy, the percentage of gross domestic product generated by agriculture was also expected to decline from last year's 11.8 percent to less than 11

percent.²³ Hence there is a perceptible shift in percentage contribution to GDP from agriculture towards services and industrial production sectors in the near future.

Analysis. The agriculture sector is growing at half the speed at which the economy is expanding and its share in the economy is declining. By 2010, China's agricultural sector's share in the economy could dip below 10 percent.²⁴ Hence, the contribution of agricultural growth to China's rise in national power is diminishing, and will continue to be so until another set of agricultural reforms are instituted.

Energy

China is the third-greatest energy producer in the world (behind the United States and Russia), accounting for about 10.6% of the world's annual total energy production. According to US Energy Information Administration 2006 estimate, oil and gas reserves in China were 18.3 billion barrels and 2.45 trillion cubic meters respectively.²⁵ China is also the second greatest energy consumer (behind the United States), accounting for about 10.8% of the world's total annual energy consumption, and the second largest energy-related CO₂ emitter. China's energy demand has been greatly increasing and is expected to grow at about 5% per year through the year 2020. China is the world's 2nd largest energy consumer. The growth of total Chinese energy demand since 2000 is 76%.

Analysis. China is in the middle of three rapidly evolving and energy intensive transformations, i.e. Industrialization, Urbanization and Motorization.²⁶ Though China's energy resources have contributed to its rise in national power so far, they are not sufficient enough to sustain future economic growth and can not facilitate a further rise in national power. China intends to tackle this challenge by improving energy efficiency, developing a natural gas market, promoting nuclear power development, promoting

development of renewable energy and clean coal technologies, and diversifying oil import sources by developing, in particular Russian and Central Asian supply options. Hence, besides domestic initiatives, China is likely to pursue a foreign policy designed to ensure its energy demands are met in future. China may also employ its military instrument of power to secure its oil interests around the globe in order to maintain an economic primacy.

Technology

China has identified research and innovation as a facilitator to its rising national power, which will boost economic growth as serve as a precursor to major technological and industrial advancement. As a result, China has implemented numerous programs to support scientific research and development (R&D) projects at home and abroad. China's 11th "Five-year Plan" in 2006 recognized increasing independent innovation as the core link to increase the overall technological level of industry and to improve competitiveness across all sectors.²⁷

One of the basic strategic concepts of the Plan is its "Scientific Approach to Development".²⁸ China has also introduced a significant number of programs such as '*The National Program on Key Basic Research Projects (973 Program)*' and the '*National High-tech R&D Program (863 Program)*'. These programs are aimed to mobilize scientific talents in conducting innovative research on major scientific issues in agriculture, energy, information, resources and environment, population and health, and to boost innovation capacity in high-tech sectors, and accomplish "leap-frog" development in key high-tech fields.²⁹

China has become the fifth leading nation in terms of its share of the world's scientific publications, and a major player in critical technologies like nanotechnology.³⁰ China is attempting to embark on the path of a knowledge-based economy. In their research paper, "Technology Upgrading and China's Growth Strategy to 2020" authors John Whalley and Weimin Zhou have highlighted that in order to meet the target of tripling gross domestic product (GDP) per capita between 2005 and 2020, as set out in China's 11th five-year plan in 2005, China is adopting a change in growth strategy from FDI promotion and export-led growth towards technology upgrading and higher productivity growth in manufacturing.³¹

Analysis. It is evident that China has embarked on a path of research and development to upgrade its strategic and frontline technologies, and boost innovations for the future. The current contribution of technology towards rise in national power of China is likely to increase in future.

Environmental Resources

China has an opulent supply of a variety of natural resources such as coal, iron ore, petroleum, natural gas, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminum, lead, zinc, and uranium, as well as the world's largest hydropower potential.³² As China is undergoing a rapid economic growth, its environmental resources are depleting. Issues such as air pollution, depleted fisheries, desertification, grassland degradation, water pollution and shortages, overgrazing, soil erosion and human-induced natural disasters are severely affecting Chinese economy and society.³³

Analysis. As China becomes the "world factory", it is slowly depleting its environmental resources. China has also become the largest contributor of sulfur oxides and chlorofluoro-carbons to the global atmosphere and was the second largest producer of carbon dioxide from the consumption of petroleum and coal in 2004.³⁴ Due to the production and consumption of its industrial and agricultural resources, environmental deteriorations such as air, water and land pollution has also significantly increased. Besides reducing the atmospheric effluents to a manageable level, China will have to either import industrial resources or outsource production, in order to sustain its economic growth. However, both in turn will slow down its economic growth.

Summary: Rise in the National Power of China

From the aforementioned analysis of various drivers of national power, it is evident that there has been a rise in the national power of China. The major drivers for Chinese national power, so far, have been its economy, military, international political standing, population, and growth in research and technology. At the same time, energy, agriculture, environmental resources, and domestic sociopolitical drivers have reached levels beyond which they can no longer support further rise in China's national power. There is a dire need for reforms or alternate strategies to boost development of all of these drivers, should China want to maintain a consistent rise in its national power.

Rise in the National Power of India

This section carries out analysis of the rise in national power of India based on the most critical drivers of national power as mentioned in RAND report on "*Measuring National Power*".

Economy

India's economy is on the fulcrum of an ever increasing growth curve. With positive indicators such as a stable 8-9 per cent annual growth, rising foreign exchange reserves of over US\$ 222 billion, a booming capital market, an estimated FDI flow of US\$ 15.5 billion during the fiscal year 2007, and a more than 20 per cent surge in exports India has become a leading destination for foreign investment.³⁵ Highlights of the Indian economy during the fiscal year 2007, based on the economic survey published by the India Brand Equity Foundation, a public-private partnership between the Ministry of Commerce, the Government of India and the Confederation of Indian Industry, are enumerated below:³⁶

- The economy has grown at an impressive growth rate of 9.4 per cent during 2006- 07 due to growth in the industrial and services sectors.
- Overall balance of payments recorded a surplus of US\$ 36.6 billion during 2006-07.
- The cumulative value of merchandise exports for the period April-May 2007 increased by an impressive rate of 20.37 per cent over the corresponding period in last year to touch US\$ 22.4 billion.
- During 2007-08 (up to July 13, 2007), net inflows from Foreign Institutional Investors (FIIs) amounted to US\$ 8.4 billion.
- India has emerged as one of the most attractive investment destinations in the world with an annual return of 38.36 per cent, which is the second highest in BRIC economies.

Analysis. India's economy has been growing at a significant rate since the 1991 economic reforms. The primary contributors to a consistent high growth rate in its economy are industry and services. India is also on its way to becoming a knowledge based economy. With the current trends, the economy is likely to continue growing in the coming decades. A January 2007 report from Goldman Sachs, global investment banking and securities firm, called India's recent high growth rates a result of structural rather than cyclical increases and projected a sustainable growth rate of about 8% through 2020.

The growing economy has positively contributed to the rise in national power of India. However, there are certain challenges to a sustained economic growth in India. A July 2006 World Bank report identified the country's main economic challenges as improvement in delivery of core public services, diminishing existing disparities, accelerating agricultural growth, improving the job market, and helping lagging states grow faster, addressing fiscal and trade deficits, and pushing ahead with reforms that facilitate growth.³⁷

Military

With more than 1.3 million active personnel, India's is the world's third-largest military (after China and the United States).³⁸ The Indian Defense budget for 2007-08 stands at 21 billion USD, which is only 2.10 per cent of the expected GDP for the coming fiscal year, as against 2.17 per cent in the previous year. In the last four fiscal years since 2004-05, Defense expenditure as a percentage of GDP has been continuously declining.³⁹ The army accounts for nearly half of the budget, but the navy and air force are becoming more important as India seeks to play an important role in the region.

According to *The Military Balance 2007*, an annual assessment of the military capabilities and defense economics of 170 countries world-wide, the navy has grown rapidly in recent years, currently operating 58 principal surface combatants (including 2 aircraft carriers by 2008) and 16 submarines.⁴⁰ A 2005 deal with France will carry out technology transfers and Indian construction of six Scorpene submarines in the next decade.⁴¹

The Indian Air Force has more than 800 fighter and ground attack aircraft and possesses modest airborne early warning and in-flight refueling capabilities. India is also in the process of upgrading its fleet of MiG-21 fighters. India is currently bidding to purchase up to 186 new jets (126 for the air force and 60 for the navy) including a possible technology sharing and co-production effort from a number of buyers.⁴² A Strategic Forces Command oversees intermediate- and short-range ballistic missiles capable of delivering nuclear warheads.⁴³

Besides domestic R&D, India has been seeking advanced military imports to include finished platforms and co-production. India acquired a de-facto nuclear weapons status with its nuclear tests in 1998.⁴⁴ The tests and the sanctions India faced from most of the world's industrialized countries had a modest effect on India's economy. India's nuclear doctrine is based on "no first use", and "credible minimum deterrence".

Analysis. With a modest defense budget, the Indian armed forces are undergoing modernization to maintain a credible land, air and maritime force to safeguard its major security interest i.e. maintenance of territorial integrity and internal security. The Indian Navy is slowly assuming the capability of a blue water navy with a view to secure its Sea Lines of Communication (SLOCs) extending from the Persian Gulf in the west to the Straits

of Malacca in the east, which are vital to its trade and economic interests. Indian armed forces are positively contributing to a rise in the national power of India.

Domestic Sociopolitical

To examine India's socio-political scenario, it is pertinent to analyze its governance and its civil society. India is the world's largest electoral democracy. The Indian National Congress came back to power in 2004 after seeking support of 19 parties, drawn both from the ideological left and a mix of single-state parties.⁴⁵ The Bharatiya Janata Party (BJP) is the opposition party which remains dedicated to a strong ideology of nationalism. The leftist parties are currently a part of the coalition government.

The present Congress-led coalition government has so far been instrumental in carrying forward the initiatives of the previous BJP government. It has been instrumental in chartering the U.S.-India Strategic partnership and similar ties with Russia, China and other countries. The Prime Minister Dr. Manmohan Singh, who was the architect of the 1991 reforms, has been pursuing these economic reforms consistently during this term.

Human development is strengthening in India since Independence. Poverty has steadily decreased nationwide since 1990 although big disparities among states remain. According to the Planning Commission's figures, there has been a decline of ten percentage points in both rural and urban poverty between 1990 and 2000, with the rural poverty rate dropping from 37 to 27 per cent and the urban rate from 33 to 23 per cent. The impact of increased urbanization and literacy will be discernible in the labor force in near future.

Though there has been a significant growth in the Indian economy and a number of government initiatives such as the National Employment Guarantee Scheme are aimed

to eradicate socio-development problems, a number of challenges still persist in Indian society. Serious socio-developmental challenges in society are poverty, communalism, education, basic healthcare, human rights and food security. These remain as major impediments for rise in the national power of India.

Analysis. The present government under Dr. Manmohan Singh has been adept at handling both domestic and international issues amicably. The governance has been stable so far, though dissenting voices are discernible at times from the leftist parties in the coalition on issues such as the US India nuclear accord. The major challenge before the government is to drive economic reforms forward and simultaneously improve the socio-developmental indices of the country. So far, the domestic socio-political conditions have been effective drivers to provide a suitable climate for sustainable growth in the economic power of India.

International Political

India follows an independent foreign policy which has been shaped by its security concerns and economic interests. India is also striving hard to carve out its rightful place in the global governance and being a key player in international matters. India had last served on the UN Security Council from 1990 to 1992. India has actively participated in multilateral trade negotiations and emerged as one of the main opponents of the agricultural trade agreement sought by the developed countries at Cancun in September 2003. India has also raised its concerns during the Doha round of the WTO meeting.

At the regional level, India's involvement in ASEAN forums is aimed at raising its profile globally as well as regionally. India's engagement within the SAARC, SCO,

EAS, and with Central Asian region countries is also on the ascendancy. India has also maintained cordial relations with its neighbors and has played a responsible role in the South Asia region. There has been a rapprochement with Pakistan and India-China ties are improving.

At the global level, India's relations with the United States, China and Russia have improved significantly. India has good relations with Japan and the European Union due to economic complementarities and developing strategic convergences. India had also recently participated in the Quadrilateral Initiative along with US, Japan, and Australia.

India also has been a proponent of a different global organization, wherein power is distributed more evenly, among a larger number of important powers. To that effect, India aspires for a permanent seat on the UN Security Council in its bid for a larger role in global governance. India's global diplomacy has been garnering adequate global support by working with four other aspirants to permanent seats (Germany, Japan and Brazil) in order to realize its goal. India has also been looking for additional platforms for participation in global governance. Prime Minister Manmohan Singh's attendance at the Heiligendamm meeting at the invitation of the G8 is one example. India has also participated in the International Energy Agency (IEA) as a non member. India is also in a leadership position in the Global Fund to fight AIDS, tuberculosis and malaria.

Analysis. India has been participating in regional and global organizations to bolster its geopolitical standing and to advance its economic and security interests. India also has been a strong proponent of retaining its foreign policy autonomy, and endeavors to assist other developing countries with political, human rights and security problems.

Hence, the international political driver of national power of India is currently well positioned in its quest for a global power status.

Population

India is the world's second most populous country. It is projected that India will have a larger population than China by the year 2045, when United Nations projections indicate a total population of India of 1.501 billion and of China of 1.496 billion.⁴⁶ According to India's Ministry of Labor and Employment, India already has an advantage over more advanced economies, due to a younger and dynamic work force.

India's youthful population profile, coupled with a sharply declining fertility rate suggests a relative slowdown of India's population growth in the coming decades. This would be an 'ideal stage in demographic transition' where the share of working population will grow sharply.⁴⁷ At the same time, there is a significant and pressing need to improve the socio-development indices such as quality education and healthcare in India, in order to exploit this boom in population.

Analysis. A growing population is a critical driver for national power as it provides a dynamic work force which will in turn boost the economy. However, overpopulation is a burden on the economy too, as a poor and illiterate population will become a detriment in India's quest for growth.

Agriculture

Agricultural growth in India stands at 2.7 per cent for the year 2007, according to the Economic survey 2006-2007.⁴⁸ 48% of land in India is arable and agriculture is one of the most important sectors of the economy contributing 18.5 per cent of national

income, about 15 per cent of total exports and supporting two-thirds of the work force. India is the second largest producer of rice and wheat in the world; first in pulses and fourth in coarse grains. India is also one of the largest producers of cotton, sugar, sugarcane, peanuts, jute, tea and an assortment of spices. In terms of the real value added, the Indian agriculture sector ranks third, after China and the United States. In recent years, there has been a considerable emphasis on crop diversification towards horticulture, plantation crops and allied activities, which has invited a lot of foreign direct investment (FDI) through the automatic route.

However, there are key challenges to the growth of Indian agriculture. Suresh Chandra Babu, a senior research fellow at the International Food Policy Research Institute (IFPRI) asserted that agricultural productivity in India is low primarily due to the lack of investment in agricultural research and development, resulting in the widening income disparity between rural farmers and urban consumers, and the fact that Indian farmers are not being mainstreamed into the recent economic growth in the nation.⁴⁹

Analysis. Agriculture was a key driver for India's economy in earlier years. However, the overall contribution of agriculture towards the economy is diminishing. A series of reforms akin to the Second Green Revolution will be in order to enhance agricultural productivity, which may in turn contribute to a further rise in national power of India.

Energy

India is both a major energy producer and consumer. India currently ranks as the world's eleventh greatest energy producer, accounting for about 2.4% of the world's total annual energy production, and as the world's sixth greatest energy consumer, accounting

for about 3.3% of the world's total annual energy consumption.⁵⁰ India is also the world's third largest coal producer. Despite its large annual energy production, India is a net energy importer, mostly due to the large imbalance between oil production and consumption. According to *Oil & Gas Journal (OGJ)*, India had 5.6 billion barrels of proven oil reserves and 38 trillion cubic feet (Tcf) of proven natural gas reserves as of January 2007.⁵¹

Analysis: India is a net energy importer. India's energy resources are insufficient to maintain sustained economic growth in future. Hence India needs to undertake several measures to meet its energy demands. According to the Institute for Analysis of Global Security, India is implementing a number of policies to meet its energy security challenge.⁵² These include domestic policies such as increasing fuel efficiency, increasing domestic production, increased use of clean coal technology, a shift to next generation fuels and increased use of renewable sources of energy.

India is also diversifying its energy sources and shifting to natural gas and LNG. India's diplomacy in the recent years has been shaped by its energy security concerns. India has already been negotiating natural gas and LNG imports through pipelines from Central Asia and the Middle East through Pakistan. India is also focusing on LNG imports from Oman, Qatar and Bangladesh. India has also undertaken joint bidding for oil resources with China in third countries. Hence, India is likely to employ its diplomacy to secure its energy needs in future.

Technology

The tradition of science and technology (S&T) in India is over 5,000 years old. A renaissance was witnessed in the first half of the 20th century. Significant achievements

have been made in the areas of nuclear and space science, electronics and defense. The government is committed to making S&T an integral part of the socio-economic development of the country. India has the third largest scientific and technical manpower in the world; 162 universities award 4,000 doctorates and 35,000 postgraduate degrees and the Council of Scientific and Industrial Research runs 40 research laboratories that have made some significant achievements. In the field of Missile Launch Technology, India is among the top five nations of the world.⁵³

Science and technology, however, is used as an effective instrument for growth and change. It is being brought into the mainstream of economic planning in the sectors of agriculture, industry and services. The country's resources are used to derive the maximum output for the benefit of society and improvement in the quality of life. About 85 per cent of the funds for S&T come directly or indirectly from the Government. The S&T infrastructure in the country accounts for more than one per cent of the GNP.⁵⁴

Mr. A P J Abdul Kalam, a great scientist and India's former President, had put forward a framework called "World Knowledge Platform", which will integrate the core competencies of the partner countries to develop knowledge products. This platform will enable joint design, development, cost effective production and marketing of knowledge products in various domains such as energy, water, healthcare, agriculture, food, energy products and automobiles.⁵⁵

Besides these fields, India is carrying out R&D in the field of atomic energy by harnessing the use of nuclear energy for peaceful purposes such as power generation, applications in agriculture, medicine, industry, research and other areas. India is also

poised to become a knowledge based economy with advanced R&D in the fields of telecommunications, nanotechnology, medicine, and biotechnology.

Analysis. India has embarked on a path to become a knowledge based economy by undertaking R&D in frontline technologies. Hence, it is very likely that technology will continue to be a major driver for India's rise in national power in future.

Environmental Resources

India has an abundant supply of natural resources such as coal (fourth-largest reserves in the world), iron ore, manganese, mica, bauxite, titanium ore, chromite, natural gas, diamonds, petroleum, and limestone. These resources have positively contributed to Indian industry and assisted in its economic growth. Robust economic growth in India has resulted in creating a sizable middle class of 300 million people. This growth has been a dramatic driver in the nature and scale of human impact on the country's environment and natural resources. India has 2.4% of the world's land, but supports 16% of the global population.⁵⁶ Water management, deforestation and pollution are major environmental problems in India. A \$200 billion river-linking plan aims to connect relatively healthy rivers in the north to the southern rivers, to alleviate this problem.

Analysis. A flourishing industry sector is adding strain on natural resource availability in India. Since the Indian economy is primarily services sector based, such a scarcity in future is not likely to impact the economy in a major fashion. Notwithstanding, it is likely that India may have to increase its imports to offset critical shortages in future.

Summary: Rise in the National Power of India

From the aforesaid, it is clearly evident that there has been a significant rise in the national power of India. The economy, the military, international political standing and a growth in research and technology stand out as the major drivers for rise in India's national power. A growing population will continue to provide the human capital, if properly managed. The critical driver for future rise in national power of India will be the domestic socio-political environment, which will either facilitate or debilitate further growth. Other key priority tasks for the government will be effective management of a depleting energy base and environmental resources, and major agricultural reforms, in order to maximize their contribution to a sustained growth rate.

China and India as Proto-Peers or Peer Competitors?

The preceding analysis clearly indicates that there has been a substantial rise in the national power of both China and India. What does it mean for the United States? Does it mean that both China and India can be termed as proto-peers or peer competitors to the United States in near future? This section assesses whether China and India can be termed as proto-peers/ peer competitors to the United States based on the definition of a proto-peer/peer competitor and the correlation of their strategies with the strategies available to a proto-peer as outlined in the RAND report on *"The Emergence of Peer Competitors: A framework for analysis."*

According to the report, a proto-peer is a state that is yet not a peer but has the potential to become one. It seeks only modest or no change in the international system (the relative power status of the major states, the rules governing interaction between the states, and/or the beneficiaries of those rules).⁵⁷ A peer competitor, on the other hand, is a

state or collection of challengers with the *power* and *motivation* to confront the US on a global scale in a sustained way and to a sufficient level that the ultimate outcome of a conflict is in doubt even if the US marshals its resources in an effective and timely manner.⁵⁸

The report further states that a proto-peer may follow 4 main strategies. These strategies may range from internally focused reforms, to less predictable but potentially faster internally focused revolutionary changes, to an externally focused strategy emphasizing alliances with other states, to outright aggression, intimidation, and subjugation of other states.⁵⁹

China as a Proto-Peer or Peer Competitor?

The two key words which stand out in the definition of a peer competitor are power and motivation. The study will assess China's growth in national power and motivations against the definition of a peer competitor.

China's National Power

The analysis in the previous section clearly highlighted that there has been a rise in the national power of China. The Strategic Assessment Group (SAG) has carried out quantification of the national power of various states in the RAND study on '*Measuring National Power*'. The SAG assessment states that the United States holds about 20 percent of global power while China holds about 14 percent of total global power.⁶⁰ Hence, both these facts suggest that though there has been a rise in the national power of China, it still is nowhere closer to the national power of the United States and is,

therefore, not commensurate to confront the US on a global scale in a sustained way and to a sufficient level where the ultimate outcome of a conflict is in doubt.

China's Motivations

China's diplomatic efforts are aimed at developing peaceful relations with regional powers and the US in order to boost its economic development. China has strengthened its diplomatic relations with states in the Asia Pacific region, and globally, in order to maintain its economic development. It also maintains bilateral and multilateral cooperation according to international laws. The same analysis has already been carried out in the preceding section. It also appears that China wishes to promote change in the world order in accordance with UN aims and principles.

This appears to be a reformist strategy, which generally abides by the accepted rules of the international system and aims to increase its national resources in order to gain more power. However, on the other hand China has been creating new institutional structures like the Shanghai Cooperation Organization (SCO), outside of the United States' reach.⁶¹ The growth of SCO and its relationship with Russia has strong overtones of an alliance strategy, which may contribute to changes in the international order. China also is very resolute and uncompromising on its sovereignty issues like the Taiwan issue. Chinese authorities also believe in peaceful reunification of Taiwan amalgamating two different political and economic systems, which reflects a conquest strategy.

According to Annual Report to Congress on the Military Power of the People's Republic of China 2007, The People's Liberation Army (PLA) is pursuing comprehensive transformation from a mass army designed for protracted wars of attrition on its territory to one capable of fighting and winning short-duration, high intensity

conflicts against high-tech adversaries – which China refers to as “local wars under conditions of informatization.”⁶²

Defense budgets and military reforms in China also indicate a dominant revolutionary security strategy. On the economic front, China has taken a reform path. China has also put strong emphasis on the growth of scientific research, development, innovation and improved education. The analysis of China’s motivations so far, thus indicate that China’s dominant strategy is reformist, with minor elements of revolutionary, alliance, and conquest strategy to meet its national interests and objectives.

Hence, China has an overtly dominant reform strategy, but Chinese sensitivity to its sovereignty on issues like Taiwan may provide it a motivation for a regional confrontation with the U.S. It is highly unlikely that it may still possess the motivation to confront the US on a global scale in a sustained way and to sufficient level where the ultimate outcome of a conflict is in doubt even if the US marshals its resources in an effective and timely manner. Hence, China, at present can be considered as a proto-peer, if not a peer competitor to the United States.

India as a Proto-Peer or Peer Competitor?

The study now analyzes rise in national power of India and its motivations against the definition of a proto-peer/peer competitor.

India’s National Power

The analysis of drivers of national power of India in the preceding section has indicated that there has been a considerable rise in the national power of India. India has been on a path of economic reforms since 1991. The drivers of India’s growth are a

growing economy, technology, a capacity for innovation, a skilled labor force due to a large population base, education, geopolitical standing, and a strong military. One of the other relevant factors is that India is a thriving democracy wherein the state has been a major driver for economic reforms.

According to the Strategic Assessment Group assessment of national power discussed during the RAND conference on “Measuring National Power,” the United States holds around 20 percent of total global power, whereas India holds about 9 percent of it.⁶³ It implies that though there has been a significant rise in national power of India, it is still nowhere closer to the U.S. Secondly; it is not commensurate to confront the US on a global scale in a sustained way and to a sufficient level where the ultimate outcome of a conflict is in doubt.

India’s Motivations

India’s motivations are contingent on its national strategic interests. Though India is yet to formulate and announce an official national strategy based on its national interests, the same is evident in one of the speeches of the Indian Prime Minister, Dr. Manmohan Singh. He states:

“Our objective is to focus on the centrality of national interests in the conduct of our external relations and the pursuit of our economic interests. We have taken important initiatives, keeping in mind the imperative of retaining our freedom of options, remaining alive to our concerns. Our efforts have contributed to making the international environment for India’s development more secure.”⁶⁴

MAJ Vikas Slathia has highlighted in his MMAS thesis on United States-India strategic partnership that India has evolved her national security objectives in view of the prevailing security situation and guided by her core values namely; democracy,

secularism and peaceful co-existence and the national goal of social and economic development.⁶⁵ He has identified territorial integrity, internal security, regional security, peace in the Indian Ocean, and safeguarding of its economic interests as crucial national interests for India.⁶⁶ On a global scale, Indian interests encompass securing a permanent place in international forums such as the UNSC and promoting the spread of democracy.⁶⁷

The analysis of India's national interests reflects India's motivation, wherein India seeks only modest or no change in the international system. This is reflective of a reformist strategy, which generally abides by the accepted rules of the international system and aims to increase its national resources in order to gain more power. India's security related decisions also have been reactive rather than pro-active so far. This is evident from the wars India has fought so far. Nowhere in its history since independence has India ever invaded any other country. This also reflects its motivation. Hence it is unlikely that India may harbor motivations which may be confrontational to the U.S. According to some analysts, the potential for U.S. - Indian strategic competition is limited.⁶⁸

This indicates that India has neither the power nor the motivation to confront the U.S. Hence the definition of a peer-competitor can not be applied to India. However, the definition of a proto-peer aptly applies to India since India is yet not a peer, but has the potential to become one. It seeks only modest or no change in the international system. Thus India's growth can be 'correlated to the rise of the United States in the late 19th and early 20th century without challenging Britain's dominant position'.⁶⁹ The economic rise of India also seems to be 'analogous to the economic growth of Germany and Japan in

the post–Cold War era, which worked to strengthen, rather than challenge, the established world order’.⁷⁰

Summary. From the preceding analysis, it can be summarized that neither China nor India can be considered as peer-competitor to the United States based on the current status of their national power and motivation. However, both can be termed as proto-peers to the United States.

Bilateral Relationships

The analysis so far concludes that both China and India can be considered as proto-peers to the United States. This section analyzes the convergences and divergences in bilateral relations between the U.S. and China; U.S. and India; and China and India to posit whether an overall stabilizing or destabilizing relationship exists between any two players.

United States-China Relations

U.S.-China relations have remained unusually smooth and stable during the George W. Bush administration. The present day U.S. policy towards China requires reassessments due to interactions of geopolitical, economic, security, diplomatic, and cultural interests between both the states. These interests have been competing, which on one hand require engagement to strengthen convergences and on the other hand, demand containment of China to prevent it from becoming a peer-competitor.

Convergences

The Chinese and U.S. economies are highly complementary and their relationship has been cooperative in recent years. China is now America’s second-largest trading

partner, with bilateral trade last year of over \$330 billion. During 2006, China has been America's largest source of imports and U.S. technology exports to China grew by 44% to 17.7 billion.⁷¹ Successful initiatives such as the Joint Commission on Commerce and Trade (JCCT) and the Strategic Economic Dialogue (SED) have also boosted economic cooperation. The SED includes important issues such as currency reform, energy, environment, transparency, and consumer product and food safety.⁷²

Another example of commonalty between the U.S. and China is a mutual growing interest in regionally-based economic development approaches. U.S. Agencies such as the Economic Development Administration are promoting regional approaches to development in China. China and the US have also enhanced their mutual exchanges and cooperation in science, technology, education, and culture.⁷³

The recent growth in U.S.-China bilateral relations after President Hu's U.S. visit in Apr 2006 has paved the way for an all-round constructive partnership and recognition of China as a responsible stakeholder. President Hu and President Bush have also met on the sidelines of the 'G8 plus 5' conference in Germany in June 2007, thereby signaling convergences. Both countries are scheduled to have a fourth round of strategic dialogue later in 2007. After 9/11, both countries have also shared convergence on countering terrorism, more than ever.

In addition to bilateral cooperation, the importance of the China-US relationship is also reflected in the cooperation between the two sides on major international and regional issues of common or similar interests. According to U.S. Deputy Secretary of State, John Negroponte, China has played a constructive leadership role as host of the Six-Party Talks on North Korea's denuclearization.⁷⁴ China also joined other members of

the Security Council in voting for strong measures under UN Security Council Resolutions, after North Korea's provocative missile launches in July 2006 and its nuclear test in October 2006.

There are convergences on the energy and environmental issues as well. Initiatives such as the APEC Energy Security Initiative and Asia-Pacific Partnership on Clean Development and Climate are aimed at collaborative efforts to implement projects that will improve energy security, air pollution, climate change, and efficiency in a variety of energy-intensive sectors. According to the Chinese Ambassador to the U.S., Mr. Zhou Wenzhong, both countries are maintaining close consultation and coordination on the Iranian nuclear issue, the Middle East, the Darfur issue of Sudan and the United Nations affairs. He also highlighted that they are also cooperating more in the fields of energy, environmental protection and disease control.⁷⁵ The United States also wants China to play an active role in making Asia's regional institutions effective, especially APEC, in ensuring economic prosperity and security for all its members.

Divergences

Whereas there are many convergences in U.S.-China economic relations, there are also significant challenges. The challenges are due to China's incomplete transition to a market economy and an ever increasing bilateral trade deficit which currently stands at \$232.5 billion. Key issues include intellectual property rights protection, exchange rate policy, services, and encouraging domestic demand in China. Energy security is another area of concern wherein the U.S. wants to engage China in cooperative efforts to ensure stable energy markets, support energy efficiency, and develop cleaner technologies.

There is also a need for trade remedies and compliance to WTO standards by China. According to the U.S. Trade Representative, China “has not yet fully embraced the key WTO principles of market access, non-discrimination, and national treatment, nor has China fully institutionalized market mechanisms and made its trade regime predictable and transparent and China continues to use an array of industrial policy tools to promote or protect favored sectors and industries.”⁷⁶

According to Mr. Negroponte, the Chinese government needs to respect its citizens' right to speak, assemble, and publish; to worship freely; and to plan their families as they choose, free of coercion.⁷⁷ The state of human rights in China, the situation in Tibet, and the treatment of other minority communities such as Uighur Muslims in Xinjiang also remains an important human rights and religious freedom concern for the United States.

Nonproliferation and military modernization issues are also a major cause for divergence in bilateral relations. China has a mixed record on efforts to stem the proliferation of weapons, especially those related to missile technology. There are concerns about lack of transparency in China's military modernization. The anti-satellite test conducted by China in January 2007 is being viewed by the Bush administration as inconsistent with the spirit of cooperation outlined by President Bush and PRC President Hu Jintao, including cooperation in the area of non-military space activities.

Sovereignty issues have always been of paramount concern to the Chinese foreign policy. The growing rhetoric of unification of Taiwan, an increasing array of forces and other military systems against Taiwan, as well as Beijing's refusal to renounce the use of

force against Taiwan has increased bilateral tensions and caused worsening of cross-Strait relations.

Analysis

From the aforementioned assessment, it stands out clearly that there are more divergences in U.S.-China bilateral relations than possible convergences. Whereas, booming trade figures, the Strategic Economic Dialogue, and the senior dialogue strengthen convergences in the economic and security areas, there are equally divergent issues in their relationship. The major areas of concern in bilateral relationship are:

- Trade and Economic Relationship. Issues such as currency valuation, unfair trade subsidies, IPR violations, product safety issues, trade deficit, and WTO compliance are major divergences.
- China's Global and Regional Activities. China's regional and global engagement with institutes such as the SCO, and the EU and with rogue nations in Africa, Asia, Middle East, and Western Hemisphere has been a major source of divergence. China's assistance to North Korea's and Iran's nuclear program and its support to rogue states to fulfill its energy needs has not been perceived as the behavior of a responsible stakeholder in the world order.
- China's Growing Military Power. Issues such as the Chinese anti-satellite test, espionage charges, and a higher military budget have strained bilateral relations. It is a point of concern to the U.S. as to how it can maintain a favorable balance in the region and across the Taiwan Strait against the backdrop of such developments.

- Domestic and Socio-political issues. Domestic and socio-political issues such as social stability in China, internal problems in Tibet, the Uighurs in Xinjiang, human rights violations, religious freedom, family planning issues, environmental issues, and Chinese media and information control have also contributed to major divergences.

Summary. The dominant issues in the U.S.-China relations are the Taiwan issue, trade imbalances, China's growing military power, China's global and regional activities, human rights, and domestic and political issues. These issues are not directly related to India. Hence, two things can be stated about U.S.-China relations: first, there are more divergences than convergences which reflect an overall destabilizing pattern; and second, U.S.-China relations are not contingent on their relationship with India.

United States-India Relations

The present day United States-India relations are molded primarily by convergences in perception of threats from terrorism, religious fundamentalism, weapons of mass destruction, and the US desire to develop close cooperation with India to confront challenges to peace and security. The Bush administration's policy of favoring democracies and acknowledging India as a rising power and a responsible state with advanced nuclear technology has brought a new dimension in the India-U.S. relationship in the 21st century.

Sharing common interests such as tackling terrorism, promoting peace and security, and supporting democracy and its value system, gives the two nations common ground to build relationships in the post-9/11 era. India's democratic traditions, political institutions, economic resurgence, and its huge business and market potential, have

brought in a perceptible shift in the United States policy towards India. A similar shift in Indian policy towards the United States is necessitated by its changing economic, scientific, military, diplomatic, and to some extent political needs.

Convergences

Next Steps in Strategic Partnership (NSSP). The conclusion of NSSP in 2005 resulted in the beginning of a major US strategic orientation towards India. The June 2005 U.S.-India Defense Framework Agreement included provisions for moving forward in four NSSP issue areas, i.e. ease restrictions on exports of dual use high technology goods, civil nuclear cooperation, civil space cooperation, and missile defense.⁷⁸ In a major policy shift, the July 2005 U.S. India Joint Statement notably asserted that, “as a responsible state with advanced nuclear technology, India should acquire the same benefits and advantages as other such states,” and President Bush vowed to work on achieving “full civilian nuclear energy cooperation with India.”

The Joint Statement also stressed closer ties in space exploration, satellite navigation and launch, and in the commercial space arena. During President Bush’s March 2006 visit to India, both the countries committed to move forward with agreements that will permit the launch of U.S. satellites and satellites containing U.S. components by Indian space launch vehicles and, two months later, they agreed to include two U.S. scientific instruments on India’s Chandrayaan lunar mission planned for 2008. The High Technology Coordination Group (HTCG) has met five times so far and considerable growth has taken place in cooperation in the biotechnology, nanotechnology and the IT sector.

Security. The U.S. India security cooperation has flourished since 2001. The New Framework for The U.S. - India Defense Relationship was signed in June 2005 to reflect “common principles and shared national interests” between both the nations. The shared interests focus on maintaining security and stability; defeating terrorism and violent religious extremism; preventing the spread of weapons of mass destruction and associated materials, data, and technologies; and protecting the free flow of commerce via land, air and sea lanes.⁷⁹

The framework also outlined conduct of joint and combined exercises and exchanges, collaboration in multinational operations based on common interests; strengthening the capabilities of militaries to promote security and defeat terrorism, and expanding interaction with other nations in order to promote regional and global peace and stability. It also stressed enhancing capabilities to combat the proliferation of weapons of mass destruction, achieving greater interaction between armed forces and defense establishments, expanding two-way defense trade, and increasing opportunities for technology transfer, collaboration, co-production, and research and development.⁸⁰

Both the countries have shown convergence on strengthening the abilities of militaries to respond quickly to disaster situations, and to conduct successful peacekeeping operations. The framework also stresses conducting exchanges on defense strategy, defense transformation, and intelligence sharing. One of the major convergences between both countries has been the security of Sea Lines of Communication (SLOC). A Maritime Security Cooperation Agreement was signed in early 2006, which commits both countries to “comprehensive cooperation” in protecting the free flow of commerce

and addressing a wide array of threats to maritime security, including piracy and the illicit trafficking of Weapons of Mass destruction (WMD) and related materials.

Many analysts laud increased U.S.-India security ties as providing an alleged “hedge” against or “counterbalance” to growing Chinese influence in Asia, though both Washington and New Delhi have repeatedly downplayed such probable motives.⁸¹ Mr. Pranab Mukherjee, the Minister for External Affairs for India, has also dismissed such speculations by the analysts in his speech at the Council for Foreign Relations in Oct 2007. He allayed the misplaced apprehensions when he stated that “It is also clear that the development of closer relations between India and any one strategic partner will not be at the expense of relations with any third country”.⁸²

Since early 2002, the United States and India have held a series of unprecedented number of combined exercises involving all military services. There has also been an increase in military sales to India. The U.S. firms have also evinced great interest in seeking the sale of 126 multi-role combat aircraft by India. There has been substantial increase in counterterrorism cooperation between both the countries. Both the countries discussed cooperative strategies for regional counterterrorism efforts, threat assessments in South Asia and the Middle East, bioterrorism, weapons of mass destruction, and the on-going Anti-terrorism Assistance Training Program during the February 2007 session of the U.S.-India Joint Working Group on Counterterrorism.⁸³ The two parties also discussed terrorist finance and money laundering, the ideological dimensions of terrorism, information sharing, and widened cooperation for preventing terrorist acts.⁸⁴

Economy. The U.S. - India Economic Dialogue which was revitalized in 2005, has a number of forums such as the U.S. - India Trade Policy Forum, the Financial and

Economic Forum, the Environmental Dialogue, the Commercial Dialogue, the Information and Communications Technology Working Group, the CEO Forum, and the U.S.-India Agricultural Knowledge Initiative. The objective of the Economic Dialogue is to seek ways to resolve outstanding economic and trade issues, develop administrative capacity, and provide technical assistance. Bilateral trade and investment, though relatively low, has also increased substantially since 2001. U.S. exports to India until August 2007 had a value of \$10.5 billion and imports from India for the same period totaled \$15.6 billion.⁸⁵

Other Convergences. The 2.5 million strong Indian American community is also a major driving force for congruence and stability in U.S. - India relationship.⁸⁶ There is closer cooperation on a number of other emerging issues like disaster relief, HIV/AIDS, and other pandemic diseases. The U.S. – India Global democracy Initiative also reflects another convergence of interests to help countries in their transition to democracy. Both the U.S. and India were the first contributors to the Global Democracy Fund.

Divergences

Economic. Despite significant tariff reductions and other measures taken by India to improve market access, U.S. feels that “substantial expansion of U.S.-India trade will depend on continued and significant additional Indian liberalization.”⁸⁷ In 2007, U.S. Treasury Under Secretary Tim Adams urged India to further reduce trade and investment barriers, liberalize its financial sector, and improve its business climate as key means to “compete effectively in the global economy.”⁸⁸ Inadequate intellectual property rights protection is another long-standing issue in bilateral relations.

Disagreement between the U.S. and India also exists over methods to reduce trade-distorting domestic subsidies, eliminate export subsidies, and increase market access for agricultural products during the Doha round of WTO multilateral trade negotiations. The core contention is between the developed and the developing nations wherein the United States and other developed countries seek substantial tariff reductions in the developing world. India, like other members of the “G-20” group of developing states, has sought more market access for its goods and services in the developed countries, while claiming that developing countries should be given additional time to liberalize their own markets.

Diplomatic. Of late, a number of issues have slowed down the progress on the US-India Civil Nuclear Cooperation. The accord has come under a lot of debate both in the U.S. Congress and in the Indian Parliament. There is a perception in the United States that Indian demands may be a key cause for the apparent stalemate, which include removal of any limits on India’s possible future nuclear testing; permission to buy U.S. reprocessing technology; and prior U.S. approval to reprocess spent fuel.⁸⁹ Though a number of impediments remain in final materialization of the Indo-US nuclear deal, both the countries are working harder to find equally amicable solutions to realize the deal.

Differences also exist on matters of international institutions. According to George Perkovich, “The U.S. wants to promote democracies everywhere in the world except in international institutions. India is happy to promote democracy around the world but it wants it in international institutions too.”⁹⁰ The same point was reinforced by India when it presented its case for expansion of the UN Security Council and major reforms in the UN. Though the US has appreciated the role India is playing in global

affairs, it has however remained non-committal on supporting its candidature for a permanent seat in an expanded UN Security Council. There also remain indications that the perceptions and expectations of top U.S. and Indian strategic planners are divergent on several key issues, including the role of Pakistan, approaches to conflict resolution in Iraq and in Palestine, and India's relations with Iran.⁹¹

Domestic. Human rights also form one of the other issues of concern to the United States. The State Department perceives impunity as a major human rights problem in India, asserting in its April 2007 report on *Supporting Human Rights and Democracy* that, "A widespread culture of impunity among police and security forces and pervasive corruption continued to be the principal obstacles to improving human rights" in India.⁹²

Analysis

From the preceding analysis, it is evident that the U.S. - India relations have more convergences than divergences. Convergences are apparent in areas of shared values and challenges such as WMD proliferation, state sponsored terrorism, spread of democracy, economic development, security of SLOCs, energy security and environmental protection, management of climate change and natural disasters.⁹³ Two dominant issues in their bilateral relations are the U.S.-Pakistan relations and the ongoing civil nuclear energy agreement.

The idea of convergence of interests has also been brought out by Ashley J. Tellis, "It means two things: first, that the United and India share a common vision of which end-states are desirable and what outcomes ought to be pursued—however this is done—by both sides; and, second, that there are no differences in vital interests that will cause either party to levy mortal threats against the other or would cause either country to

undercut the other's core objectives on any issue of strategic importance.⁹⁴ It is these two realities—informed by the convergence in interests, values, and inter-societal ties—that provide the basis for strong practical cooperation between the United States and India, realities that do not define U.S. bilateral relations with the other major, continental-sized, states in Asia.⁹⁵

The U.S. – India partnership rests on a very solid foundation, not just of democratic values, but of converging geo strategic interests between the two countries, however India will continue to follow its independent foreign policy and may adopt strategies different than the United States in realization of these shared interests and objectives.⁹⁶ George Perkovich is also of similar views when he states, “India is Sui Generis; It Won't Be a U.S. Tool.”⁹⁷

Summary. The dominant issues in the U.S.-India relations are the U.S.-Pakistan relations and the ongoing nuclear deal. The strengthening U.S.-India strategic partnership and its underlying initiatives have both been a cause and effect for the growing China-India relations. Hence, two things can be stated about U.S.-India relations: first, there are more convergences than divergences which reflect an overall stabilizing pattern; and second, U.S.-India relations are, to an extent contingent on their relationship with China.

China-India Relations

Sino-Indian relations are progressing steadily. Bilateral economic and trade ties are improving significantly and both the nations have found convergence on settling contentious and unresolved issues amicably. Though there is no major breakthrough on finding a solution to the boundary dispute yet, confidence-building measures including joint military exercises along the border have been agreed upon. China and India are also

cooperating at international levels on matters like counter-terrorism, energy and maritime security. President Hu Jintao's visit to India in Nov 2006 resulted in the signing of 13 agreements to increase further cooperation. A very wide ranging Joint Statement was signed with strong emphasis on building of a strategic relationship and joint approaches to regional and international issues.

On the other hand, contentious issues have arisen as a result of China's emerging perceptions about India's recent key foreign policy developments. China has perceived challenges from India's Look East Policy. Some analysts have noted that China's all-weather friendship with Pakistan, its attempts to increase its influence in Nepal, Bangladesh, and Burma, its persistent refusal to recognize parts of India such as Arunachal Pradesh, its lack of support for India's membership to the United Nations Security Council and other regional and global organizations, all point toward China's attempts at preventing the rise of India as a regional and global player of major importance.⁹⁸

Convergences

Trade between India and China has grown 56.8 per cent in the first quarter of 2007 and has crossed \$11.4 billion. Both the states are well on track to double their trade every year to reach the figure of \$40 billion a year by 2010.⁹⁹ The relations have been improving since the joint statement of "India-China strategic and cooperative partnership for peace and prosperity" in 2005. The joint statement issued during the Chinese President Hu Jintao's visit to India in 2006 highlighted a ten point strategy to enhance ties. They are:¹⁰⁰

1. Ensuring comprehensive development of bilateral relations by holding regular summit-level meetings.¹⁰¹
2. Strengthening institutional linkages and dialogue mechanisms.¹⁰²
3. Consolidating commercial and economic exchanges by raising the volume of bilateral trade to \$40 billion by 2010.¹⁰³
4. Expanding all round mutually beneficial cooperation such as the MoU in the field of oil and natural gas and strengthening cooperation in the information and communication technology sector.¹⁰⁴
5. Instilling mutual trust and confidence through defense cooperation.¹⁰⁵
6. Seeking early settlement of outstanding issues such as the boundary issue through Joint Working Group means in a fair, reasonable, mutually acceptable and proactive manner.¹⁰⁶
7. Promoting trans-border connectivity and cooperation.¹⁰⁷
8. Boosting cooperation in science and technology such as the expansion of civil nuclear cooperation, and strengthening cooperation in the use of space-based technologies.¹⁰⁸
9. Revitalizing cultural ties and nurturing people-to-people exchanges.¹⁰⁹
10. Expanding cooperation on regional and international stages such as the India-China dialogue mechanism on counter-terrorism, and cooperation in the WTO.¹¹⁰

Divergences

Divergences in China-India relations include the still unresolved territorial disputes, mutual suspicions and the potentials for competition and rivalry; China's

relationship with Pakistan in the regional context; and the emerging China-India-U.S. strategic triangle.¹¹¹ According to some analysts, the long-term India-U.S. defense cooperation framework and the July 2005 U.S.-India nuclear energy deal that followed soon after, have been compared by Chinese strategic analysts to "the strategic tilt" toward China to contain the common Soviet threat.¹¹² There were Chinese concerns about the recent multinational naval exercise Malabar 2007 involving US, Japan, Australia, India and Singapore.

India-U.S. Nuclear Deal. Chinese Security analysts are debating on the significance and implications of a warming U.S.-India relationship.¹¹³ The recent U.S.-Indian deal regarding civilian nuclear cooperation demonstrated to China's influential elite the extent to which the United States will go in "maintaining regional strategic balance"—in other words, supporting India in order to contain China.¹¹⁴ Chinese news media opined that the deal may act as a counterweight to China.¹¹⁵ According to some analysts, Beijing believes that this deal on its successful conclusion would end the nuclear symmetry between New Delhi and Islamabad (or, de-hyphenate the sub-continental rivals) and put India on par with nuclear China (re-hyphenate China with India).¹¹⁶

China-Pakistan Relations. Pakistan has been a critical factor in Sino Indian relations because of the Chinese decision to supply Pakistan with nuclear and missile technologies.¹¹⁷ China's relations with Pakistan had ever been cordial which is reflected in President Musharraf's statement that "Our friendship is deeper than the ocean, and higher than the mountain."¹¹⁸ Chinese President Hu visited Pakistan immediately after

his visit to India in Nov 2006; basically to reassure Pakistan that changing contours of the China-India relations would not affect China's strategic ties with Pakistan.¹¹⁹

However the visit lacked the expected signing of wide-ranging defense agreements, anticipated announcement of construction of additional six nuclear power reactors by China, anticipated support for Pakistan's case on Kashmir, and a visit to Gwadar port built by the Chinese. Overall, China has signaled a shift in its South Asia policy wherein it wants to balance its relations with both India and Pakistan. According to an Indian analyst, a stable Sino-Indian relationship requires the effective management of the delicate China-India-Pakistan triangle.¹²⁰

Border Dispute. The resolution of the border dispute is by no means merely a territorial conflict that can be settled quickly, but a vexed issue involving religious, cultural and historical factors.¹²¹ China has recognized Sikkim as a state of India and both China and India have held 10 rounds of boundary talks so far. According to Fu Xiaoqiang, a researcher with the Institute of South Asia, under the China Institute of Contemporary International Relations, "Through several rounds of talks, China and India both have adopted a more realistic and self-restrained attitude."

On the other hand, several recent commentaries in Chinese language sources confirm a shift toward a tougher Chinese stance on the territorial dispute with India. According to the Chinese media (People's net, Renmin Gang, bwl.jschina.com.cn, October 30, 2006), India poses a potential threat to China in south- west. Articles such as "Future Directions of the Sino-Indian Border Dispute" published in *Guogji Zhanlue* in November 2006; Liu Silu's "Beijing Should Not Lose Patience in Chinese-Indian Border Talks" in *Wen Wei Po* on June 1, 2007; and Professor Wang Yiwei's interview "Helping

U.S. May Derail Border Talks" with the *Asian Age* on July 25, 2007 are broadly representative of the official thinking in China's national security apparatus on this subject.¹²² The key arguments and major themes presented in these and other writings clearly advocate a "constraining India strategy, which foretells a long and torturous course of future border negotiations, and indicate an uncertain and unpredictable future for India's relations with China".¹²³

International Relations. The recent foreign policy initiatives by both China and India indicate that they are expanding their spheres of influence. China is striving to gain influence in South Asia, while India is trying to expand its ties in the East Asian region as part of its 'Look East Policy'. China is striving to maintain an edge in its influence over ASEAN and is an observer in the South Asia Association for Regional Cooperation (SAARC). On the other hand, India regional and geopolitical status is rising. India is an observer in the Shanghai Cooperation Organization (SCO) and maintains a growing support for a permanent seat on the UN Security Council and its membership in the Nuclear Suppliers Group.

China has continued close cooperation with all neighbors of India i.e. Pakistan, Bangladesh, Nepal, Sri Lanka, and Myanmar. According to Gurmeet Kanwal, China is assiduously engaged in pursuing a "string of pearls" doctrine that is clearly aimed at the strategic encirclement of India. He also observed that "By creating client states around India that are dependent on it for their major arms purchases (Bangladesh, Myanmar, Sri Lanka and Pakistan), making inroads into Nepal and building ports at Gwadar (Pakistan), Hambantota (Sri Lanka) and in Myanmar and Maldives, China is not only safeguarding the sea lanes over which its oil and gas flow but also attempting to confine India to the

backwaters of the Bay of Bengal and the Arabian Sea.”¹²⁴ Meanwhile, India’s engagement with Japan, Australia and the U.S. as part of the Quadrilateral Initiative rose Chinese concerns. According to Li Yan, a scholar at the China Institutes of Contemporary International Relations (CICIR), this ‘four-nation alliance’ is apparently directed at China.”¹²⁵

Analysis

It is evident from the preceding assessment that China-India relations are a complex mix of cooperation and competition simultaneously. China-India relations may turn from cooperative to competitive over energy resources, markets and for geo strategic reasons. According to one Indian analyst, Sino-Indian relations will depend heavily on three factors: first, the growth of Chinese and Indian economic and military capabilities; second, the interaction of their interests with those of the United States and Pakistan; third, the perception of both China and India towards each other.¹²⁶

According to Ashley J. Tellis, “the term “competition” itself masks a variety of complex interactions and ought not to be translated as simple dyadic rivalry. In most instances, China and India will be faced with the task of deterring, defending, reassuring each other simultaneously in the presence of multiple actors, each with its own capabilities, preferences and constraints. In this context, Sino-Indian relations-on balance- will be defined more by competition than by cooperation, but that competition is unlikely to be malignantly rivalrous, as U.S.-Soviet competition was during the Cold war.”¹²⁷ According to Dr. Sun Shihai from the Institute of Asia-Pacific Studies, Chinese Academy of Social Sciences, “The relationship between the two giant neighbors can not be simply described as competitive or cooperative. On some issues that they have

common interests they are cooperators while on some other issues that they have clashing issues they may become competitors.”¹²⁸

Summary. The dominant issues in China-India relations are the boundary dispute and the China-Pakistan relations; which do not directly affect the U.S. Hence, two things can be stated about China-India relations: first, it is a complex mix of cooperation and competition which does not reflect an overall stabilizing pattern; and second, China-India relations, to some extent affect their relationship with the U.S. because of slight apprehensions about the possible alignment of China with India.

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CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

Conclusion

Emergence of a Strategic Triangle

This section will posit whether a strategic triangle is emerging among the United States, China, and India based on the indications from the convergences and divergences in their bilateral relations. The conclusion is based on the definition proposed by Lowell Dittmer in his World Politics article on “*The Strategic Triangle: An Elementary Game-Theoretical Analysis*”.¹ He observed that, for a strategic triangle to exist among three countries, each player must recognize the strategic salience of the three principals, and any change in the bilateral relations among any two of these players has a significant impact on the interests of the third.²

Hence, it is pertinent to examine these two clauses in order to assess whether a strategic triangle is emerging amongst the United States, China, and India: first, whether each state recognizes the strategic salience of the other two states; and second, whether a change in bilateral relations between any two states has impacted or is impacted by the interests of the third.

Strategic Salience

The previous study of national power of China and India has indicated that India's national power is the least in comparison to the United States and China; the relative standing in decreasing order being; the United States, China, and India. The United States has been acknowledging the likely emergence of both China and India in recent years;

however, China has not overtly acknowledged the growing power status of India. As late as 1998, there was an asymmetry in mutual perceptions of each other's geopolitical standing between China and India.

Whereas India had always recognized the strategic salience of China, China never considered India as one of the important states. As Stephen Cohen had observed, China does not consider India as one of the important states in the world; India is simply not on China's "radar screen."³ However, Chinese perception has undergone a considerable shift since the 1998 nuclear tests conducted by India, and against the backdrop of India's rise in national power and its growing multilateral partnerships with other countries, notable amongst them being the strengthening United States-India strategic partnership.

According to Ashley J. Tellis, broadly speaking, the current geopolitical strategy of China towards India has five components:

"First, a feigned indifference toward India coupled with the consistent denial that New Delhi remains a potential rival; second, an effort to minimize direct conventional military competition with India, even as Beijing continues subtly to treat New Delhi as a significant nuclear threat; third, maintenance of an enduring strategic relationship with Pakistan while avoiding any encouragement of Islamabad's revisionist policy towards India; fourth, bolstering of Chinese links with various Southeast Asian states while remaining engaged with the smaller countries within South Asia; fifth- and as apart of a grand strategy that transcends India- a continued focus on maintaining a high economic growth rate that attracts increased foreign investment, produces growing international political status, and generates a larger quantum of resources for power-political purposes."⁴

Analyzing these five elements of Chinese strategy towards India, it is evident that China views India as a stronger geo-strategic player than it has been willing to admit. The growing China-India relations also indicate a shift in China's recognition of the strategic salience of India, though in a subtle manner. Hence, it is evident that all three states

recognize the strategic salience of each other, which satisfies the first clause of the definition in question.

Change in Bilateral Relations among the two and Impact on the Interests of the Third
United States-India Relations.

There has been a gradual expansion of U.S.-India ties in the last seven years due to major convergences in strategic interests. According to Dan Bluementhal, the strategic logic behind the improvement in relations is because 'India's power is rising, and that rise will change the geopolitical landscape profoundly. Because of India's potential to play a productive role internationally, America has a strong interest in assisting and influencing that rise'.⁵ India, at the same time, seeks a closer relationship with the U.S. to boost its regional status and a rightful and influential position in the global institutions.

Ever since the U.S.-India nuclear deal was finalized, it has been a constant source of consternation in China. Though the initial reaction to this deal was a muted response, certain indicators which point towards the Chinese opposition in this regard are attempts to block any changes in the Nuclear Suppliers' Group (NSG) guidelines to accommodate India in the field of dual-use technology, a growing rhetoric that the deal must conform to global non-proliferation regime, and a quid pro quo message to sell six to eight nuclear reactors to Pakistan at the cost of US\$10 billion. According to an Indian analyst, "China's action also conveyed to India that even as India tries hard to break out of the straitjacket of being a South Asian power through forging a strategic partnership with the U.S., China will do its utmost to contain India by building up its neighboring adversaries."⁶

The changing contours of the United States-India relationship has certainly necessitated a review of foreign policy by China towards both the U.S. and India because

of a tacit understanding by China that such a relationship is likely to assist further growth in India's national power, thereby upsetting the regional balance of power. Various analysts in China and the U.S. perceive it to be a 'hedge' against China. However, India's 'non-aligned' foreign policy and an independent strategic culture discount such assumptions outright. The growing U.S. - India ties have in turn, resulted in an equal engagement of the United States and India by China. The developing China-India ties, to an extent are therefore contingent upon a warming up of ties between U.S. and India.

China-India Relations.

There has been a gradual growth in Sino-Indian ties in recent years. This has been primarily motivated by convergences of major interests such as mutual economic interests, energy needs, counter terrorism, and bilateral discussions on peaceful resolution of the boundary dispute between China and India, and secondarily, because of Chinese wariness about growing United States-India ties. Some of the recent Chinese initiatives, such as the expansion of civil nuclear cooperation and cooperation in space-based technology between China and India, readiness to accommodate India's case for a UN Security Council seat, and a desire to develop 'strategic partnership' with India as part of its long term goals, has indicated a more cooperative than constraining strategy by China towards India, probably as a quid pro quo to the growing initiatives between the United States and India.

China has also signaled a departure in its policy towards South Asia by a mature understanding of the China-India-Pakistan triangle. Though, the visit of Chinese President to Pakistan immediately after his visit to India in November 2006 reflected Chinese assurance to Pakistan on one hand, at the same time the visit indicated equipoise

by not signing wide-ranging defense agreements. The visit also lacked the expected announcement of construction of additional six nuclear power reactors, an anticipated support for Pakistan's case on Kashmir, and an expected visit to the Gwadar port.

From the US perspective, the growing national power of China and India and the recent warming up of their bilateral relations may lead to the emergence of possible alliances with other states based on common understanding and interests. Such possible alliances may prove to be a harbinger of an economically, militarily and diplomatically multi-polar world.⁷ The recent initiatives by the United States to engage China and India equally reinforces the fact, to some extent, that US relations with both China and India are affected by a change in China-India relations. Therefore, it can be concluded that firstly, the relations of the United States with India have impacted or brought about a change in China-India relations, and secondly, a change in China-India relations over the years has equally impacted the interests of the United States and necessitated a shift in its relations with both China and India.

U.S.-China Relations.

Though relations between the United States and China are improving, there are still more divergences than convergences between them. A set of growing economic ties, counter terrorism initiatives, and the North Korea crisis have brought both the countries closer. Concurrently, issues such as Taiwan's sovereignty, China's growing military power, trade imbalances, China's global and regional economic activities, human rights differences, and domestic political issues in both countries have induced more divergences between the U.S. and China.

Unlike U.S.-India and China-India relations, there are no dominant issues in U.S.-China relations which are related to India. However, there have been few instances of mutual convergences against India in the past. Such a situation had existed for a brief period after India's nuclear tests in 1998, when both China and the U.S. had apparently aligned to issue a joint statement aimed at condemning Indian nuclear tests during President Clinton's visit to Beijing in 1998.

The unequivocal support for Pakistan from both China and the U.S. for different reasons is yet another factor which is in contravention of the Indian interests, but this does not stand out as a dominant issue in the U.S.-China relations. However, Indian foreign policy has come a long way, of late, and it has dissociated the Pakistan factor while forging relations with both the U.S. and China.

Since 1998, no major issues have come forth, that have acted as catalysts for a U.S.-China convergence against India. Hence, it appears that a change in the bilateral relations between the U.S. and China does not impact India's interests in a major way. India's improved relations with both China and the U.S. have, to an extent, marginally reinforced the need for mutual assurance and engagement between China and the U.S.

Summary: Emergence of a Strategic Triangle

The definition of a strategic triangle, to an extent, therefore, applies to the strategic equation among the U.S., China and India. Each of the three players *recognizes the strategic salience of the three principals, and any change in the bilateral relations among any two of these players has a significant impact on the interests of the third.*

Nature of the Strategic Triangle

The first kind of a strategic triangle is *the ménage a trois*', wherein all three countries have a mutually positive relationship and all of them are linked together by common endeavors. In the emerging strategic triangle, there is no common convergence of interests except for growing economic interdependence, trade benefits, and countering terrorism by all three states, which provides stability to the triangle.

The second kind of strategic triangle is the *stable marriage*, which is basically an alliance of two against the third. So far, neither is there an alliance formation between China and India directed against the U.S., nor does the U.S.-India Strategic partnership aim against China. Except for the joint statement by China and U.S. in 1998, never has the triangle appeared to be the case of a stable marriage. The third kind of the triangle is the *romantic triangle*, wherein one pivot player plays off two suitors. This is also not the case with the emerging strategic triangle.

The emerging strategic triangle has all three states having their mutual convergences and divergences. All three states have ongoing strategic partnerships or dialogues amongst them. Each state has partnerships with the other working together on some issues, but finding themselves in disagreement on others without forming any firm or enduring alignment. Hence currently, the strategic triangle is a complex and shifting one, which is highly fluid, as proposed by Harry Harding.⁸

Characteristics

The major characteristic of this emerging strategic triangle lies in that it is still in an *evolutionary phase* and has not assumed a strong and mature form similar to the Sino-Soviet-U.S. strategic triangle during the Cold War. The evolving strategic triangle is also

not very strong because the dominant issues in bilateral relations between two states do not directly relate to the third state.⁹ The dominant issues in the U.S.-China relations are the Taiwan issue, trade imbalances, China's growing military power, China's global and regional activities, human rights, and domestic and political issues. These issues are not directly related to India. The dominant issues in China-India relations are the boundary dispute and China-Pakistan relations, which do not directly affect the U.S. However, in the case of U.S.-India relations, the dominant issues are the U.S.-Pakistan relations and the ongoing civil nuclear agreement. The strengthening U.S.-India strategic partnership and its underlying initiatives have both been a cause and effect for the growing China-India relations.

Secondly, the emerging strategic triangle is *slightly asymmetrical*. This is so because the U.S. and the Chinese apprehensions about the possible alignment of the other with India are stronger than India's apprehensions about a possible U.S.-China alignment. However, this asymmetry gets negated to a greater degree, due to the growing interests of all three states in their mutual relationships such as economic interests and countering terrorism, and secondly, due to consistent rise in national power of both China and India.

Future of the Emerging Strategic Triangle

With the rise in national power of both China and India, the emerging triangular relationship among the U.S., China, and India is likely to grow more prominent. This would also be the case as institutions like the Association of South East Asian Nations (ASEAN) are likely to facilitate integration of regional economies of both East Asia and South Asia and because of a growing influence of both China and India in their respective regions and on a global scale as well.

Currently, the emerging strategic triangle is weak and asymmetrical. The strategic triangle will most likely assume the form of a complex and shifting triangular relationship in future wherein each country will behave in such a manner so as to meet their national interests and objectives. Each country will attempt to forge partnerships with the others where their interests converge, leverage the support of one against detrimental initiatives of the other, and prevent the other two from forming an alignment against it.

In future, certain triggers may cause a drastic realignment in bilateral relations and may provide an entirely different look to this strategic triangle (see figure 1). Three likely trigger issues are Taiwan (U.S.-China), Pakistan (U.S.-India), and the boundary dispute (China-India). Any drastic development in any of these three issues is likely to change the nature of the strategic triangle to a considerable degree. Based on the future developments, the strategic triangle may assume the nature of any of the following:

1. Stable marriage: There may be instances when the current strategic triangle may undergo realignment and evolve into a 'stable marriage' or an alliance between two against one, based on three hypothetical and futuristic significant destabilizing developments/triggers in bilateral relationship between any two states:
 - Taiwan Issue: The divergences in the U.S.-China relations are likely to be more pronounced in the future, should the Taiwan issue get badly mismanaged and end up in a conflict situation. This is likely to prompt the U.S. to enter into some kind of an alliance

with India in order to contain China, thereby giving the strategic triangle a hue of ‘two against one’.

- **Pakistan factor:** Similarly, the United States and China may get into some kind of an alliance against India, if worsening of India-Pakistan relations takes place over the Kashmir issue in future.
- **China-India Boundary Dispute:** Similarly, the divergences in China- India relations may get more pronounced, if the boundary dispute between China and India does not reach an amicable solution in the future, and if it ultimately climaxes into a conflict situation. It may prompt India to enter into some kind of an alliance with the United States to maintain its sovereignty.

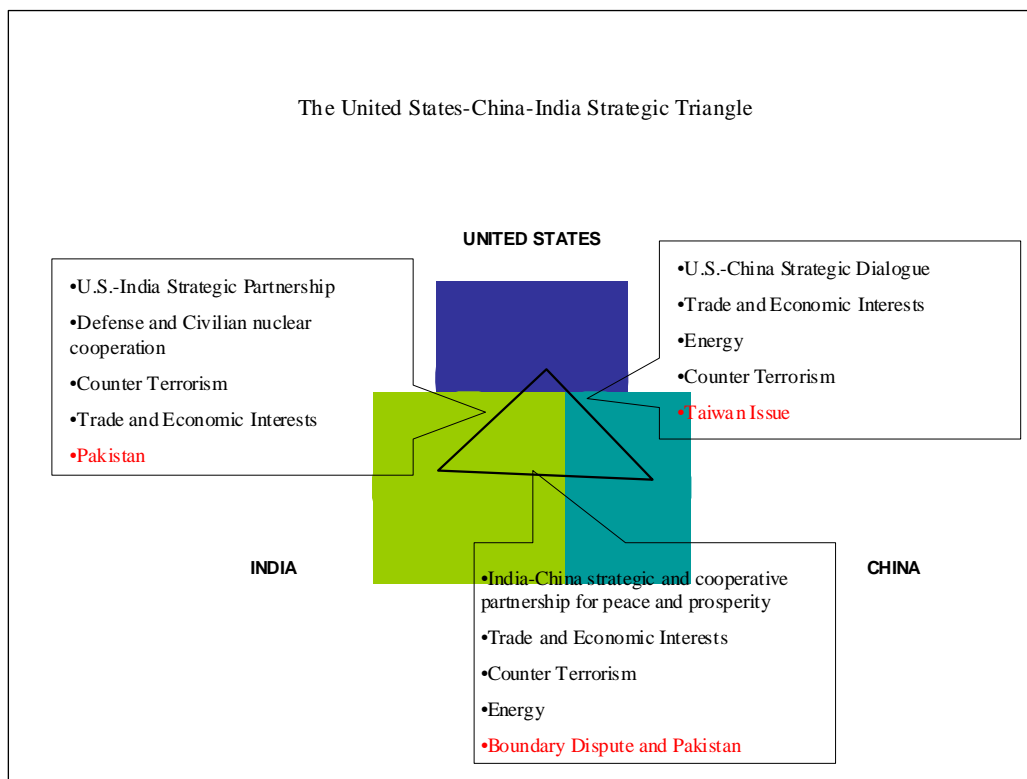


Figure 1. “The United States-China-India Strategic Triangle”

2. *Menage a trois*: It is very likely that all three states may work in concert to pursue convergences such as the rising threat of terrorism in near future, other transnational problems, economic interdependence and trade benefits, and to curb global developments inimical to their national interests and in furtherance of global peace and prosperity.

Causal Strategies for Current Convergences/Divergences

This step identifies the strategies at play between the two players after analyzing the overall pattern in bilateral relations based on convergences and divergences; i.e. stabilizing or destabilizing patterns; among the United States, China, and India, employing the exploratory modeling techniques mentioned in RAND report on “*The Emergence of Peer Competitors: A framework for analysis*”.¹⁰ The overall patterns in bilateral relationships can be summed up in the following paragraphs.

U.S.-China Relations

So far, it can be deduced that China has a predominantly reform strategy with minor flares of revolution, alliance, and conquest strategy in pursuance of its national interests. The current convergences in the U.S.-China relations reflect that the U.S. is trying to incorporate China more and more into the global governance/institutions such as the WTO in order to increase China’s stake in the status quo and to influence its behavior as a responsible global player so that it reduces the motivation to act differently. This strategy points towards a ‘co-opt’ strategy, or basically a ‘carrots approach’ wherein the “hegemon is willing to let the proto-peer’s rise, only if the proto-peer modifies its behavior sufficiently so that it does not threaten the international system”.¹¹

The existing divergences such as the currency valuation issues, unfair trade subsidies, IPR violations, product safety issues, trade deficit, and WTO compliance reflect that the U.S. is trying to “moderate the Chinese rise to power by making clear the cost of competition”.¹² The U.S. stance in the Taiwan issue highlights an eventual possibility of “conflict imposition”.¹³ Such a strategy points out towards a “constrain strategy”.¹⁴

Hence it can be deduced that the U.S. strategy towards China is a mix of ‘Co-opt’ and ‘Constrain’ strategy wherein the constraining element seems to be more pronounced in comparison to the co-option. Consequently, it has given rise to more divergences than convergences in the U.S.-China relations. The expected consequences of interaction between the U.S. and China in a strategy matrix will be unstable most of the times, and uncertain sometimes (see Table 2).

Table 2. U.S.-China Relationship: Causal Strategy and Interaction Matrix					
<i>Proto-Peer Strategy</i>	CONQUEST	Unstable	Unstable	Uncertain	Quasi-Equilibrium
	ALLIANCE	Unstable	Uncertain	Quasi-Equilibrium	
	REVOLUTION	Uncertain	Quasi-Equilibrium	Uncertain	Unstable
	REFORM	Quasi-Equilibrium	Uncertain	Unstable	Unstable
		CONCILIATE	CO-OPT	CONSTRAIN	COMPETE
<i>Hegemon Strategy</i>					

U.S.-India Relations

India has adopted a predominantly reform strategy in furtherance of its national interests. There is a convergence of common goals and interests between the U.S. and India. The previous analysis also highlights that the U.S. considers India as a ‘natural ally’ and U.S. actions towards India are relatively free of conflict. This is indicative of a ‘conciliate’ strategy wherein the “hegemon believes that the proto-peer does not pose a fundamental threat even if it matches the hegemon’s capabilities because the states have similar or compatible interests”.¹⁵

Consequently, it has given rise to more convergences than divergences in the U.S.-India relations. The expected consequence of interaction between the U.S. and India in a strategy matrix will be a state of quasi-equilibrium, which is the most desirable outcome (see Table 3).

Table 3. U.S.-India Relationship: Causal Strategy and Interaction Matrix					
<i>Proto-Peer Strategy</i>	CONQUEST	Unstable	Unstable	Uncertain	Quasi-Equilibrium
	ALLIANCE	Unstable	Uncertain	Quasi-Equilibrium	
	REVOLUTION	Uncertain	Quasi-Equilibrium	Uncertain	Unstable
	REFORM	Quasi-Equilibrium	Uncertain	Unstable	Unstable
		CONCILIATE	CO-OPT	CONSTRAIN	COMPETE
	<i>Hegemon Strategy</i>				

China-India Relations

China has a predominantly reform strategy with minor flares of revolution, alliance, and conquest strategy and in pursuance of its national interests. India, on the other hand, has a predominantly reform strategy. It may not be appropriate to apply the aforementioned hegemon and proto-peer strategy matrix to their relationship since both have been assessed as proto-peers to the United States. However for the sake of analysis, China may be considered as a regional hegemon based on the differential in the relative national power of China and India.

The Chinese strategy towards India can be interpreted as a strategy designed to increase the stake of India in the status-quo prevailing in the power dynamics in Asia. The Chinese proposal for the expansion of civil nuclear cooperation and strengthening cooperation in the use of space-based technologies to India as part of the strategic and cooperative partnership appears to be a “carrots approach to make the cooperation more conditional”.¹⁶ Other proposals such as the Chinese support for India for a permanent seat in the UNSC and joint bidding in energy acquisitions also hint that China is “willing to let India’s power rise, but only if it modifies its behavior sufficiently so that it does not threaten the power equation”.¹⁷ This indicates a ‘Co-opt’ strategy towards India.

On the other hand, Chinese relations with Pakistan, and its growing influence with India’s neighbors and regional institutions such as the South Asian Association for Regional Cooperation (SAARC) appears to be aimed at creating a balance of power in the South Asia region. China has slowly reconciled to the fact that India’s power is rising and it is likely to be a proto-peer/peer competitor in the future. Hence “it aims to moderate India’s rise to power, by making clear the costs of such a competition”.¹⁸

‘Conflict imposition’ over the boundary dispute due to sovereignty reasons appears predominant in the Chinese strategy.¹⁹ Hence it appears that China has modulated its strategy towards India by increasing the ‘sticks’ if Indian attitude turns bellicose and adding ‘carrots’ if it becomes more conciliatory.²⁰

Hence, Chinese strategy in China-India relations is a complex mix of ‘Co-opt’ and ‘Constrain’ strategy wherein the co-option element seems to be getting more pronounced in comparison to the constraining element. The expected consequence of interaction between China and India in a strategy matrix will be uncertain most of the time and unstable sometimes (see Table 4).

<i>Proto-Peer Strategy</i>	Table 4. China-India Relationship: Causal Strategy and Interaction Matrix				
	CONQUEST	Unstable	Unstable	Uncertain	Quasi-Equilibrium
	ALLIANCE	Unstable	Uncertain	Quasi-Equilibrium	
	REVOLUTION	Uncertain	Quasi-Equilibrium	Uncertain	Unstable
	REFORM	Quasi-Equilibrium	Uncertain	Unstable	Unstable
		CONCILIATE	CO-OPT	CONSTRAIN	COMPETE
<i>Hegemon Strategy</i>					

Summary

It appears that the current state of relations between the U.S. and China point towards a future which may be uncertain sometimes and unstable most of the time. U.S.-India relations are currently in a state of quasi-equilibrium. Similarly, China-India relations currently point towards a future which may be unstable sometime and uncertain most of the time.

Recommendations

The study will now recommend some potential changes in the national strategies of the United States, China, and India to negate the destabilizing patterns which may be leading to a future state of uncertainty and instability. There is a dire requirement for all three states to strengthen the convergences and bridge the divergences in bilateral relationships in order to achieve a “win-win” situation.

The rise in national power of both China and India is an evolutionary phenomenon which needs to be managed prudently by the United States. Due to the rise in power of both the states, Indian and Chinese spheres of influence are increasingly overlapping. The increasing Chinese influence in the South Asian and Indian Ocean region, and a simultaneous growing influence of India in East Asian region further necessitate a shift in the U.S. policy. It is recommended that whatever the regional constructs may be, the U.S. must observe a departure from the previous policy which considered East Asia and South Asia as two distinct regions. More interdependence and a potential integration of the East Asian and the South Asian economies in future is another major reason which reinforces the fact that the U.S. must take both South and East Asia as a single entity while formulating policies for either China or India.

Secondly, the U.S. must take into account that with the emergence of a strategic triangle, its bilateral relations with China will affect Indian interests and similarly its relationship with India will affect the Chinese interests. By the same token, this implication equally applies to China and India. Hence there is a need to further shape this complex and evolving strategic triangle into a *ménage a trois*’ or the concert of powers, wherein policies of respective states are aimed at promoting cooperation.

At the same time, there must be endeavors to thwart formation of an ‘alliance of two against one’. This tendency can be negated by bringing in a change in US strategy towards China as more conciliatory rather than constraining. Similarly Chinese strategy towards India must be more conciliatory than constraining. Efforts must continue to strengthen U.S.-India bilateral relations for its further progression from a state of ‘quasi-equilibrium’ to a more stable state. Bilateral relations between all three states must strengthen existing convergences and not be allowed to develop into a zero sum game.

Bridging Divergences

To start with, three major triggers as assessed previously must be kept in check in order to prevent this strategic triangle from developing into an alliance of ‘two against one’. There is a requirement for effective management of the Taiwan issue, the China-India boundary dispute, and the China-India-Pakistan triangle. Though these issues have been lingering on for a long time now, no solution can be reached without mutual concessions by the states concerned. Formulation of a resolution timetable will go a long way in expediting these issues. In the meanwhile, a series of confidence building measures must be instituted which aim to negate the destabilizing patterns as mentioned in the succeeding paragraphs.

Both China and India need to press ahead with both macro- and micro-economic reforms, though it will take some time for further liberalization and opening of their markets. There is also a need to resolve trade issues between the U.S. and China such as currency valuation, unfair trade subsidies, IPR violations, product safety issues, trade deficit, and WTO compliance.

Divergences in the U.S.-India economic relations can be bridged by addressing major issues such as the IPR protection, trade-distorting domestic subsidies, and export subsidies. There is a further requirement to increase market access for Indian agricultural products, which has been one of the sore points during the Doha round of WTO multilateral trade negotiations. Further cooperation can be enhanced by having free trade agreements among all three states. The strategic triangle will turn more cooperative if both China and India can be integrated into institutions such as the G8 to promote their participation in global affairs and prompting them to be a 'responsible stakeholder'.²¹

There is a need for confidence building measures such as a trilateral military and security dialogue and transparency in military matters among all three states which will dispel the perception of a military threat from the growing U.S.-India strategic partnership. India must maintain transparency and reiterate its adherence to the global non proliferation norms to dispel Chinese fears about the U.S.-India nuclear cooperation. India must also examine the Chinese offer for nuclear cooperation based on its merits. Efforts must be on to promote joint military exercises and exchanges among all three states. Similarly, China must maintain transparency about its military modernization and trade issues such as the WTO.

All three states must have equitable representation and play an active role in global and regional forums such as the United Nations Security Council (UNSC), G8 summit, Shanghai Cooperation Organization (SCO), Association of Southeast Asian Nations (ASEAN), ASEAN Regional Forum (ARF), East Asia Summit (EAS) and South Asian Association for Regional Cooperation (SAARC). This will act as a confidence building measure and allay current fears which have manifested due to either restrained participation or exclusion of one of the three states from some of these institutions. Needless to say, an amicable settlement of issues such as the Taiwan issue and the India-China boundary dispute will also strengthen the triangle.

China must cooperate with the United States by ensuring adherence to global non-proliferation norms while dealing with both Iran and North Korea. Similarly, the United States must respect independent and multilateral foreign policies of both China and India, as long as both act as responsible stakeholders while they enhance their bilateral relations with countries such as Iran, Sudan, and Venezuela which have divergent interests with the U.S. India must continue to pursue its relations with both China and the U.S. independent of their relations with Pakistan, while continuing its rapprochement efforts and security dialogues towards resolution of the Kashmir issue with Pakistan.

With the rise in national power of both China and India, a number of domestic issues have come to the fore as major impediments to their future growth. Notwithstanding the U.S. concern over issues such as the human rights violations, social stratification, rule of law, and declining socio-developmental indices etc., these issues certainly remain big challenges for both China and India. Hence, it is pertinent for both of them to encourage political reforms, respect for human rights, and rule of law, religious

tolerance, environmental reforms and socio-developmental reforms which will act as catalysts in actualizing further growth in both states. At the same time, the U.S. must realize that any amount of undue political pressure on both China and India to submit to its policies will invite domestic criticism, more so in case of India being a democracy and will further burden the relationship.

Strengthening Convergences

All three states have common convergences such as the rising threat of terrorism in near future, other transnational problems, economic interdependence and trade benefits, and the need to curb global developments inimical to their national interests in furtherance of global peace and prosperity. There is a need for enhanced cooperation on such issues by all three states in order to negate the overall destabilizing patterns in the emerging strategic triangle. The U.S. role in the ongoing global war on terrorism, the Uighur problem in China, and India's counter terrorism initiatives in Kashmir find commonality of purpose. The scourge of terrorism is likely to grow in further years, which may act as a binder to further strengthen the evolving strategic triangle into a concert of powers.

The warming up of relationships between the U.S. and India; and China and India must not be developed as a *quid pro quo* in an attempt to create balance of powers by either China or the U.S. All three states must cooperate on their convergences and find opportunities to create some more convergences within the framework of their strategic partnerships.

The current state of economic relationship between all three states will need to be further strengthened to stabilize the strategic triangle. Successful initiatives such as the

Joint Commission on Commerce and Trade (JCCT) and the Strategic Economic Dialogue (SED) between the U.S. and China will have to be further strengthened to boost economic cooperation. Similarly, there is a need for India to increase its trade with both China and the U.S. The existing forums developed as part of the U.S. - India Economic Dialogue must seek ways to resolve outstanding economic and trade issues and boost trade. China and India must also seek commercial and economic exchanges to boost bilateral trade. The U.S. must also strengthen the economic relationship by enhancing exports to the Chinese and Indian markets. Bilateral trade agreements between each pair in this triad will serve as an ideal opportunity to stabilize the strategic triangle.

There is a scope for improvement in strengthening the security relations among the three states. There is a requirement to strengthen strategic dialogue between the U.S. and China which will reduce mutual suspicions and broaden mutual interests. The U.S. must initiate a military and nuclear dialogue besides the ongoing strategic dialogue. Military exchanges must also be undertaken on reciprocal basis to boost confidence and gain functional cooperation on issues such as counter terrorism. The nuclear dialogue will provide greater understanding of each others nuclear doctrines and allay suspicions about U.S. missile defense proposals. This will in turn lead to stabilizing patterns and prevent a nuclear arms race by China.

There is a lot of scope for improvement in the U.S.-India Strategic partnership; the foremost being the completion of the nuclear accord. The ongoing impasse in the nuclear agreement can be overcome by some major concessions from both India and the U.S. Both the states must take measures to negate hindrances such as the opposition from

political parties in India, opposition from the U.S. Congress, and negotiations with the International Atomic Energy Agency and the Nuclear Suppliers Group.

The U.S. must recognize the fact that a strong opposition to some of the clauses in the nuclear agreement from some of the political parties in India stems from the perceived notion that these clauses would make India subservient to the U.S. and would lead to lack of autonomy in nuclear matters and foreign policy. Since the current coalition government cannot take some extreme measures in expediting this agreement without the support of all the parties, it will be counter productive to put pressure on India and would probably burden the existing relationship. Hence, it may need some major concessions from the U.S. to expedite this deal. India must also understand that in the event of the deal not getting finalized, the broad strategic rationale for closer U.S.-India relations will still be there, but it will reduce the momentum gathered so far in the last decade. Both states must also emphasize convergences where cooperation can be expedited quickly, such as counter terrorism initiatives, intelligence sharing, protecting the SLOCs, defense trade, and joint exercises and exchanges, so that these serve as stepping stones for the tougher issues.

China and India must further build upon the existing strategic partnership for peace and prosperity. There is a need to hold summit level meetings and fix timetables in joint working groups to expedite early settlement of the boundary disputes. There is a need to institute nuclear dialogues to act as a confidence building measure, so as to allay Chinese misgivings against the backdrop of the ongoing U.S.-India strategic partnership and civil nuclear cooperation. Similarly, there is a need to enhance military dialogues and

to hold joint exchanges and exercises between China and India. This will provide better interoperability and boost counter terrorism initiatives.

To sum up, the strengthening of convergences and bridging the divergences will provide an overall stabilizing character to the emerging strategic triangle. However, all these analyses and recommendations will go in vain if any one of the three states either desires to shape the emerging strategic triangle into an entirely different one than what has been proposed or if the existing status-quo remains in future. Such an eventuality will lead to an extremely destabilizing situation which will be a harbinger of danger to global and regional peace and security. Hence, it becomes pertinent for all three states to institute some significant changes in their policies as recommended to negate the destabilizing patterns. The United States must recognize that though both China and India may be proto-peers right now, both have great potential for further rise in future. Hence institution of right policies towards both of them at this crucial junction will greatly shape the future of this strategic triangle and stability in Asia. Similarly, it will be a case of missed opportunity for China and India if they do not bring about perceptible changes in their policies which will assist their further rise in national power on one hand and still be able to promote stabilization of the strategic triangle on the other.

Proposed Future Research

The study is premised on one major assumption that the most stable form of a strategic triangle will be the *ménage-a-trois*, which is beneficial to global peace and security. Though the research has recommended that strengthening of existing convergences can act as a pre-cursor for an enduring stabilization of the emerging strategic triangle, it did not further delve as to what needs to be done in the realm of

strengthening these convergences. The researcher highly recommends a future research aimed at exploring whether initiatives such as counter terrorism and other transnational problems, economic interdependence and trade benefits, and global developments like global warming can prompt these three states to develop the emerging strategic triangle in to a concert of powers. The future research may also identify some additional initiatives or some other developments inimical to the national interests of the United States, China and India which will promote convergences and will further assist emergence of the strategic triangle into a *ménage a trois*’.

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¹² Ibid., 60-63.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid., 54-57.

¹⁶ Ibid., 57-60.

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¹⁸ Ibid., 60-63.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid., 79.

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